THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

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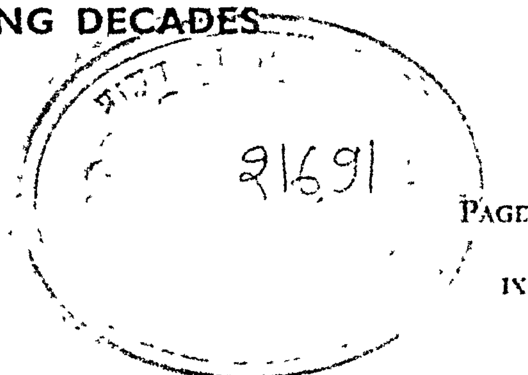
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EDITORIAL

THE PRESENT generation is rich in doubts, richer in self-doubts It has come to know the paradoxes, it lives with conundrums. But its progress towards finding a solution or solutions is desultory And this is for reasons more than one We have only dim glimmerings of what the future has for us Probably there is an element of uncertainty as to the capability to anticipate and manage the future in view of the not too very happy experience of the situation as it prevails and as it has been dealt with Yet we have reasons to be concerned about the future and perhaps, in some respects, even more than the previous generations We have to appreciate that future is an integral part of the past and the present and the responsibilities of both cannot be waived with impunity

In simple terms, the purpose of this Special Number is to provide

some glimpses of a perspective for the future for the benefit primarily of the policy maker and the administrator and then, of course, for the citizens in general. There are those who point an accusing finger at administration for almost everything that has gone wrong and there are others who believe that with proper management and administration, almost any problem, now or in the future, can be adequately met. The realities of the situation are much more complex. We are living in a world of constant change and we are the constituents of the dynamics of change. We are aware of the growing aspirations of the people all over the globe for a better future It is not a passive expectancy but an articulate and insistent claim The limitation of resources of various kinds to meet the aspirations presents the challenges of rational social policies, adequate political institutions and efficient administrative systems. The population explosion with increasing numbers of the younger age groups with their own modes and mores is growing to be a factor of considerable significance from the viewpoint of pressures on social services. The pace of urbanisation with its attendant problems will have to be understood in the context of the coming decades. No country is today sheltered either from ideas and opinions or from the impact of economic relationships. While science and technology are solving some problems, they either highlight them or give rise to fresh problems. The posture of neutrality is faced with claims of social justice.

Few among the distinguished writers here will claim any clarivoyance or even an effort at crystal gazing On the contrary, they can be seen to weigh the present carefully and suggest only a broad outline of the future course and, even here, with considerable modesty and circumspection. The surety of touch will be missing so far as the unfolding future is concerned. The limited attempt is to unravel the possibilities in the light of the experience of the past and the difficulties of the present.

Broadly, the articles in this issue are in three parts : global or general, sectoral, and a few country studies with reference to some select issues and experiences. It is neither possible here to refer to each article in detail, nor is it necessary; what we do instead is to trace broadly the areas covered and the issues raised with some relevant illustrations.

We refer to the article (Administration in the Eighties : Major Trends and Challenges) by V. Subramaniam first which, but for the accident of having come to us late and therefore appearing last among the articles, should, in fact, initiate the discussion because it puts the theme of the Special Number in the correct perspective Taking his stand as a third world representative and taking also into account futurologists like Toffler, Subramaniam identifies five areas in administration

and management which, he feels, will come up for serious attention in the future. These include: (*a*) the rapid spread of organisation and bureaucracy and the emerging debureaucratisation, and (*b*) the universal importance attached now to management, especially the American variety. Subramaniam concedes that all the five are interrelated and their impact in charting a course for the future is global, but he sees a difference in their impact, in a paradoxical way, between the West and the East. In the former, the expectation is that improved public policy and management will go to meet the complex problems as they come up, but, in the East, on the other hand, public administration has so far been less productive in economic development and therefore starts its future with severe limitations.

Two others, James Heaphey and Arie Halachmi, take up another aspect of the future of public administration—as a discipline and as a profession According to Heaphey, several possibilities can be predicted for administration, such as administration as a global discipline and the forging of a closer link between public administration and other social sciences to form an integrated human science, to view social needs as those of the individuals composing the society, and meet those individual needs, without the individuals having to organise themselves into groups Halachmi further explores the problem and traces the evolution of public administration as a discipline and describes its long search for a synthesis. He does not quite agree about a universalism in administration as a concept in the future, instead, he refers to a 'contingency approach', which means that an administrator anywhere has a set combinations or variables to which he should adapt himself and consider then what to do. Here he compares the administrator to an artist and holds that formal education and training, though needed, are not a substitute for the artist's sharp eye or ear. Practitioners could have their own experiences and make their own observations which they would then make available to social scientists, who, in turn, will use them and other empirical data for their theoretical induction or deduction, rather than their arm-chair exercises.

Ishwar Dayal in his article 'Management Practices in Government for the Coming Decade' lays emphasis on the several circumstances and changes in administrative tasks that will come up in the future to change the management practices from what they are now. He charts a course of action which, in India, about which he writes in particular, may mean, according to him, some basic changes in the approach and conduct of management in government, something more than mere change in procedures and revision of administrative practices C.P. Bhambhri, likewise, writes about changes in administration particularly in the bureaucracy in this country. According to him the crisis of

bureaucracy here will increase in the future, what with the emerging political competition and the changing social complex. The bureaucracy has, no doubt, according to Bhambhri, adapted itself to several such changes in the past but in the process it has also developed, in part, as a vested interest, with linkages to pressure groups. The future of Indian bureaucracy, he writes, depends upon its developing internal cohesion and becoming more conscious of its obligations towards its clients, that is, the citizens. Later in the issue, S.R. Maheshwari (The Political Executive and the Permanent Executive : An Analysis of the Emerging Role Patterns) touches upon a connected issue, of the relation in India between the elected executives and the permament executives or the bureaucracy. According to him in the coming years this politico-administrative equation will be of crucial importance for the political system. The emerging pattern indicates a role change which under values the Weberian norms of bureaucracy and perhaps portends a change from the Westminster model of parliamentary democracy also. It is naturally not possible for us to agree completely with either the diagnosis or the solutions proposed by Bhambhri and Maheshwari, but the basic issues raised merit serious consideration with reference to the future as we envisage

P R. Dubhashi in 'Administration in Action in the Coming Decades' also writes about administration being exposed to increasing pressure, both political and economic, in the years to come. He feels that even now administration is showing signs of severe strain; while more is demanded of it, less is conceded to it The problem, as he sees it, in the future is how to ensure that no gaps develop between the people's demands on administration and what administration can give.

This, in turn, depends upon the nature of the society that we may have in India in the coming decades and the stresses on administration which the social changes are bound to create. V. Jagannadham picks up this trend in his article 'Administration and Social Development' and feels that radical changes, both in political leadership and administration, will be essential to tackle the society's problems. Though much of the social features as they are today may continue to be in evidence, new values will permeate the community, for the better and perhaps also for the worse. But administration will have, from now on, to train itself to operate above the level of the prevailing standards in society. This is a challenge clamouring for a well conceived response

No one need reiterate *ad nauseum* that the world is changing and that the pace of change hereafter will accelerate. The dynamics of change as a fact of life will have to be faced. Administrative personnel, therefore, will have to equip themselves to be ready to meet the challenges and thus arises the importance of training. A.P. Saxena in his article

'Training in the Decades Ahead : Some Design Considerations' sums up the present position of training, its role and direction, and its linkages with government He then stresses the need for proper designing of training in the future which will include curriculum development, appropriate training methodologies and proper evaluation Taken together, training will thus be a dynamic, forward looking activity. Training being just good, necessary or desirable, may not be enough for its survival. Training should lead to improved performance and help in making a larger and better output from public personnel. According to a U.N publication, as Saxena points out, in the decades ahead, upto ten per cent of a working career of thirty years may need to be assigned to training He doubts whether such a large proportion is possible to be set aside in a poor country like ours but there is no escape from making an effort for a larger personnel to undergo training and, simultaneously, evolve training programmes designed with clear direction, operational plans and well defined priorities and purposes

Changes in administration will not stop with the Union or State Governments in this country These will extend to local administration and, in the process, to municipal administration which is not only nearer to the people but also under strain. Abhijit Datta considers that such changes are inevitable at the municipal level because of the sheer force of changes both at the State and the national level These changes, as one can imagine, will cover the areas of municipal administration, municipal functions, municipal finance, and administrative procedure. Datta cites the developments in West Bengal where there is a clear possibility of a cabinet type of municipal government evolving in the place of the present set-up of the municipal corporation, the standing committees and the commissioner (the triumvirate) sharing power When changes take place between the Centre and the State, there will be changes between the States concerned and the municipal and other local bodies under them at the 'political level'. Ultimately all these changes will remain to be assessed in terms of the efficiency of municipal administration in answer to citizens' expectations. Also, at the municipal level, there should be scope for popular participation in municipal government which will not only help to throw up local leadership but also go to check arbitrary use of the State powers. The basic problems of efficiency, effectiveness and responsiveness at the grassroot level will get more and more pronounced in the coming decades

In the relatively large section of sectoral articles, Ram Reddy discusses university administration in this country He points out the several weaknesses i the higher education set-up today, the foremost among them [illegible] normous expansion of the universities Several of them ha [illegible] e manageable limits and, although

none is sure of the optimum size for a university, it is quite in evidence that university size has been growing without any thought on the consequences. It is not that the problem of university management is just that of the vice-chancellor, or of the faculty, or of the indiscipline among students. A lot of thought is being given to all these, with decentralisation right in the focus. While selective lessons from the administration of other institutions can be taken to tone up university administration, Ram Reddy warns against any wholesale imitation; for, he says, the university culture is different from that of other institutions and considerable sympathy is needed in handling university affairs. At the same time a university reflects the society at large and the performance of universities therefore is conditioned by that society to a very large measure The claims of academic excellence, the pressures for democratisation of higher education and its relationship with the lower levels, and the perspective of the academic community as regards their responsibilities in an age of turbulence deserve profound thinking on the part of all concerned.

Ram K. Vepa in his article 'Three Decades of Industrial Administration', dwells on its weaknesses and lists the problems that may arise in the future in this vital sector There is a conceptual problem—should the policy be one of growth, or of backward area development, or of small scale industry promotion Besides, there are issues like the role of the public and the private sectors. Each one of these is apt to create vested interests and industrial administration in the future will meet with success only if these conflicting objectives are harmonised so as to become an integrated policy. Where the government should intervene and where the entrepreneur should be left to himself is also an area which has led to differences in the past but a realistic approach is essential in the future in this respect if that future is to take this country further on the road to industrialisation keeping in view the socio-economic compulsions as they emerge.

Projections of sectoral growth and projections of population growth have had several exponents here in the past But the pressing need is to project economic growth linking it with population growth. Kamal Nayan Kabra in 'Some Future Scenarios and Their Policy Implications' attempts this, taking into account some important previous work in this regard The studies he examines differ in their methodologies and approaches and their implications also differ for public policy. Nevertheless, in his analysis of these projections, Kabra brings out the dilemmas that face the country. A rapid rate of growth certainly appears necessary particularly keeping the alarming population growth rate in mind. Several other compelling factors also are there in the background. Kabra goes on to refer to the many inhibitions as he sees them, especially the lack of socio-political will. This, in turn, helps to throw

light on the areas for public intervention and where administration will have to come out with its weight thrown definitely in favour of rapid development. A policy mix will be called for and the administrative mechanism and institutions will have to be transformed. On the other hand, the perils of slow growth are obvious; they will include unemployment, social tensions and degeneration in the quality of life. One may differ with his analysis and prescription but the issues that he highlights merit deeper probe.

One clear evidence of social tension in the coming decades is the likelihood of the increase in crime rate with which also is the connected question of criminal justice administration. Venugopal Rao in his article 'Criminal Justice Administration : Planning for the Future' takes stock of the situation as at present and feels that the criminal justice system is showing unmistakable signs of wilting What then does the future hold? Writing about the crime rate, Rao fears that several factors in the society in the years to come will conspire to put up the crime rate quantitatively and qualitatively. The sheer population rise and the growing unemployment and the social tensions consequent on the attempted change from a feudal and capitalist order to a socialist pattern, and the very process of development itself, will tend to put up the crime rate The nature of crime also will change with the advance in science and technology; the youth will feature more in crimes and urban life will mean greater tension leading to crime The question then is how to transform the criminal justice system to cope with the new situation. The present fragmentation is the system's major problem, says Rao. What should be brought in, therefore, according to him, is unity of purpose and action in the system Sectoral reforms like criminal law amendments, organisational restructuring etc will not be of much use if the system continues to be divided against itself. Also, it has to get over its present conservatism and attachment to tradition. There is then the larger problem of police and society where the police-people relation needs to be radically changed to make the police more acceptable and its role in the community more purposive According to Rao there should be change in our outlook in regard to the role of punishment while enforcing criminal justice which, in turn, leads to the problem of prison administration. Altogether here is a field of importance which calls for reforms planned for a variety of alternative futures.

Denudation of forests and the ecological threat looming large are examined by Kamla Chowdhry in her brief article 'Emerging Needs in Forestry Management'. India has a forest policy from as early a date as 1894 and this policy, revised after independence, still guides government The importance of forests in the national development has been stressed in the successive five year plans. Yet the extent of the

forest area and their quality is rapidly deteriorating due to vandalistic exploitation. A number of management lessons need to be extended in forest policy implementation, and while listing them, Kamla Chowdhry stresses the importance of forest in the country's development in the future—employment, income generation, tribal welfare, ecology, wood-based industrial growth, etc. It is an area of work requiring more research as we already find tension building up and the sections of the people affected are the economically vulnerable and the socially disadvantaged.

The role of labour laws and their administration is next discussed by A.M. Sarma in his article 'Administration of Labour Laws in India in the Coming Decades' He lists the important labour enactments and examines each one of them to lay bare its weakness and the scope for better implementation As in the case of forest management mentioned earlier, the successive five year plans have duly emphasised the need for proper labour administration and implementation of labour laws. A number of Central and State agencies, besides statutory corporations, are empowered to look after the administration of labour laws, but then, the machinery has to be enabled to do a more positive job in the future, which may see a sharp rise in the number of industries, in the number of workers and in the number of industrial disputes. The claims of production and productivity will have to be harmonised with a modicum of caution and delicacy in times to come with the imperatives of a more egalitarian society

K.L Handa and M Mushkat Jr. take up an ostensibly technical problem in administration which may worry us in the future. Both of them examine the need for change in the accounting system of public funds and putting that system to a rigorous test so that it answers the needs of the future. Handa writes about the budget management technique in India at present and examines the possibility of our adopting modern methods such as the PPBS, the zero-base budgeting, sunset legislation, etc. He is of the view that line item budgeting and performance budgeting can both be applied here under proper accounts classification, delegation of financial powers, etc About PPBS and zero-base budgeting, he is not very confident nor has he to say much in favour of the sunset laws. These according to him, are too sophisticated to be adopted in India today This is also a field which requires further research and exploration in a dispassionate way

Mushkat Jr. in his article 'Management-by-Objectives in the Provision of Social Services' cites much evidence to show that social service professionals have, by and large, accepted the need for MBO and that the several techniques of monitoring social service performance like the 'client satisfaction questionnaire', the 'global assessment

scale, etc. have to come to the aid of improving social service accountability. These techniques are, no doubt, to be designed specifically for the occasion concerned and for the needs of specific social service organisations The MBO has come to be accepted as one of the modern management techniques over a wide field in this country especially in the private sector and this article gives several practical guidelines in its application to social services The need for caution is that many of the techniques are adopted only ritualistically, ignoring the environmental context and requirements, often leading to disenchantment after some time The basic objective of better administrative performance must become our loadstar if we are not to be prisoners of some catch phrases, without comprehending their implications in detail and in depth

In his article dealing with 'Challenges in Railway Administration in the Coming Years' A V. Poulose describes the mammoth size of the Indian railway system and projects its expansion to meet the needs of the people. Simultaneously, he stresses the importance of proper management and administration whether it is finance, costing of services, rolling stock maintenance, or improvement in operation. Anticipating the workload that the railways may be required to carry in the coming years, Poulose concedes the need for reorganisation of the railway structure—may be bifurcation of the existing divisions, breaking up of the zonal railways, or appropriate changes in top management, including delegation of powers. A realistic appreciation of the problems of the railway staff, so as to take out of them the highest production and ensure productivity, will also be necessary. There are a number of other reforms to be taken up but the goal of railway administration is there for all to see The railways must equip themselves to subserve the economy and should be a pace setter among public undertakings for efficiency and task-oriented outlook We are getting more and more conscious as to how the inadequacies of different kinds of infrastructural support are creating serious hazards for planned development.

J D Sethi in his article 'Health and Development—A New Focus' draws attention to what he characterises as the lop-sided growth of the health services largely arising from our adopting norms and standards obtainable in affluent societies The result has been that, in spite of claims to the contrary, health and health care have become a concern of the rich and the privileged in society All the plan advantages have been in the urban areas catering to the upper classes According to Sethi, in regard to matters of public health, the social division is not so much between the urban and the rural, but between the urban rich and the rural rich on one hand and the urban poor and the rural poor on the other. The task in the future will, therefore, be to recast the

entire health policy and administration so as to break the existing features. But to look at public health all by itself will not also be enough, for illness and poverty and poverty and unemployment are all inextricably mixed up and, as Sethi puts it forcefully, if there is no scheme for full employment by 2000 AD, no health policy for the country will succeed Here again is a vital sector deserving of further detailed research.

M M.K. Wali (Institutional Credit for the Rural Poor), also speaking for the poor in the rural areas, investigates the credit structure and deployment of credit facilities to the rural poor whether it be by the cooperatives, rural banks, or scheduled banks. The proportion of credit set aside for the marginal farmer and others of his type has, no doubt, increased over the years, but, says Wali, this credit facility has by and large been appropriated by the relatively affluent farmer and his equals in the village. In a truncated rural social set-up it is not a surprise that the more influential classes corner the advantages of a liberal credit line. Those who come out worst under the present policy are the landless farm hands and the rural artisans. Wali's plea, therefore, is to take a realistic view of the divisions in society and tailor each credit device to specific target groups and monitor the mechanism so that the target group alone benefits from the specific credit line.

On the more general planning effort, Kuldeep Mathur in his article 'Promise and Prospect of Local Level Planning in India' discusses decentralisation of planning and brings out its implications. According to him successive plan documents, while sympathetic to decentralisation, do not go far enough to bring about decentralisation in effect, with the result that after five five-year plans, we are groping about this problem even in the current plan He tries to spell out the factors which ought to go in making the local level planning more effective. The crux of the situation, if we discard the frills of planning, is the problem of resource availability and this is bound to be as scarce in the future as at present But there has to be a strict adherence to the cost-benefit principle and here decentralisation will be valid insofar as better accountability can be ensured with effective monitoring at all levels of implementation. Our sights must be clear as to the purposes and programmes of local level planning

E H Valsan writes of the intangible value of inspiration (Inspiration · An Essential Element for Administration in Action) in any national effort, in any sphere, and he illustrates his point by citing some of the world figures who, with a vision about the future, have changed history. However, it it clear that much of the current thinking is befogged by cynicism; inspiration, as such, takes a back seat in conducting day-to-day affairs. Competence and social compassion must permeate the entire administrative system. No organisational

effort for better administration and more effective planning is possible without an element of hope, faith and a vision of the future which in a way are the basic elements of inspiration.

Following these articles with a sectoral focus, we have in this issue studies of administration in regard to some other countries than India—Canada, the Philippines, Bangladesh and East Africa. O.P. Dwivedi and P.K. Kuruvilla analyse the public services in Canada, the former stressing the accountability of the civil service and the latter the recruitment policy in that country. Mario D. Zamora visualises the Philippines in the future as a country set to bring about cohesion within itself for its different ethnographic groups and also to play an appropriate role in the socio-political sphere in the region. Mohabbat Khan and Habib Mohammad Zafarullah write about the importance given in Bangladesh to rural development as an integral part of the country's development. Walter Ouma Oyugi evaluates the role of the civil service in the recently emancipated African countries and assesses its capability to take the respective countries forward in the economic, social and political spheres. The issues and problems dealt with by these experts have more than local significance. The problems of administrative accountability, nation building, the role of the civil services and the place of rural development have equal relevance to most of the developing countries and thinking minds are deeply concerned as to how adequate solutions can be worked out.

In this issue we give review articles, or reviews, of some important publications that throw light on future developments, be they global, regional, or confined to India. The books have been chosen in a manner that they supplement the articles, and help to take the theme of the Special Number further. Similarly, the documents also are so chosen that the problems of the future are projected with some authenticity

The vistas of the future underscore that mere mechanistic approaches to the problems of society, policies or administrative and management problems will not suffice; they have to be viewed in the broad perspective of social perception and social sensitivity. The problems of economy, ecology, efficiency and equity are going to be some of the care problems in managing the future and they can be handled only in terms of social efficiency, imagination and sympathy. We do hope that this Special Number will reinforce in some small measure the ongoing informed dialogue and debate about the challenge to the administration and our society in the decades to come.

We are extremely grateful to all the eminent writers in this Special Number. Our contributors have responded generously to our invitation and it is a matter of great pleasure to us to record here our deep gratitude to them.

We hope that the discerning members of the IIPA and other interested readers will find this Special Number useful in the same way they found our earlier efforts; in their appreciation lies our satisfaction, nay, our inspiration for the future.

—*Editor*

Public Administration as a Discipline : Its Importance in the Coming Decades

James Heaphey

WHITEHEAD'S PHILOSOPHIC concept of 'the continuous present' applies to public administration as a discipline What 'will be' is already here, albeit in a form that is to be greatly altered The prognosticator has little choice but to embrace Whitehead's wisdom To attempt predictions based on something unknown in the present would be literally unthinkable

Before proceeding to look into the future of public administration as a discipline it is necessary to answer an obvious criticism, namely, that public administration is not a science, not a profession, and not a discipline. In this essay public administration is regarded as a discipline in that it is found in universities as a department or a school and includes related interests People receive academic degrees in public administration; books and articles are written about it There is no reason to go into the debate over the disciplinary status of public administration in this essay [1]

It is also necessary, as a prologue to an essay on the future, to note that history does not necessarily follow logic or desire Nonetheless, he who dares to predict the future must work within logical constraints and cannot avoid focusing on what he sees as desirable and undesirable potentials in the present scene Since logic as well as desire is to some extent personal, an essay on the future is perforce a markedly individual effort

THE PUBLIC ADMINISTRATION PARADIGM

One of the safest predictions is that public administration will have more of a paradigm in the future than it does today What this means is that a common core of concepts, theories, and issues will be found in teaching and research

This may be surprising to those who have heard that public administration has become increasingly heterogeneous and undefined It has And it

[1]For a thorough and reasonable discussion on this matter, see Dwight Waldo, *The Enterprise of Public Administration*, Chandler and Sharp Publishers, Novato, California, 1980, Ch 4, pp 49-64.

is now in the process of homogenising Undoubtedly the most significant indication of this is the successful attempt by the National Association of Schools of Public Affairs and Administration (NASPAA) to establish standards for professional masters degree programmes in public affairs and administration. These standards include common curriculum components, such as the values important to democratic society, political processes, economic and legal environments, organisation and management concepts, behavioural patterns of motivation and leadership, statistical analysis procedures, administrative planning and control, budget and accounting, and labour relations

The specific shapes homogenisation will take, as well as the effects of homogenisation, will probably be varied Each department or school of public administration has professors within it who are more dominant than others, and this dominance is not a function of specialisation. In one department the 'political specialists' may be more dominant than the 'quantitative analytical' types, or vice-versa Students gravitate towards the dominance, along with research grant funds, external (to the university) fellowships and internships, and professionally significant connections with government agencies.

Research in public administration will undoubtedly be affected. although it is difficult to see how much it will be The phenomenon of public administration is not undergoing homogenisation, and that is *important to* remember While a research project utilising varied talents and skills from within the department may be seen from within as important and significant, it does not follow that clientele agencies outside the university, or that scholars in other disciplines, will be impressed

Similarly, while it may serve public administration departments to increase curriculum standardisation, there is no clear indication that agencies hiring their graduates desire this to happen Indeed, one hears just the opposite, namely, that the agencies want more experts and fewer generalists. It is conceivable that NASPAA standardisation will lead to a decrease in hiring NASPAA institution graduates This would be an unfortunate happening because in the view of so many observers governments around the world need more generalists, more persons who have understanding of the political, historical, and cultural aspects of public problems, along with specific understanding of what constitutes a budget, a personnel system, a quantitative-analytical technique, and so forth In other words, the NASPAA movement is clearly a response to a generally felt need But individual agencies of government try to hire in terms of their *individually felt* needs, not in terms of a generally felt need

The fact that this is at present an 'American movement' should not deter from including it as a prediction in an international journal It is clear that what happens in American public administration departments and schools has considerable impact around the world.

WEBER'S CONTINUOUS PRESENCE

A second prediction is that a previously overlooked chapter in the many books of Max Weber will be increasingly part of the public administration consciousness. Weber argued that bureaucracy is the most effective form of organisation when, and only when, it is controlled by the political realm, particularly by popularly elected legislatures When uncontrolled by the political realm, warned Weber, bureaucracies are subject to entropy.

Already Weber's thoughts are taking specific shapes in public administration as a discipline. For about ten years now, though not before, the American Society for Public Administration has included panels on the organisation, administration, and decision-making systems of legislatures In the master of public administration programme at the State University of New York at Albany, students can specialise in legislative organisation and administration Other universities have similar kinds of programmes though not as formalised as the one at Albany.

One of the reasons for this prediction is that legislatures around the world are moving towards the model of professionalisation, expertise, and specialisation Examples of this are the increase in use of specialised committees and growth in numbers of professional staff This is happening even in such unlikely places as Britain and the USSR

As they move in this direction legislatures find a relevance in departments and schools of public administration. Whereas political scientists who specialise in the study of legislatures tend towards measurement of roll-call voting, and such, public administrationists are becoming more accustomed to the idea of legislative administration [2] This is not meant as a criticism of political scientists who specialise in the study of legislatures, rather, the point is that a marriage has begun to take place between the movement towards what has been termed 'legislative modernisation' and the movement in public administration to be more concerned with the importance of the political realm for effectiveness within the bureaucracy Previously, legislatures were viewed by public administrationists as part of the environmental constraints which damage and even prevent bureaucratic effectiveness

THE EXECUTIVE-CENTRED MODEL

A third prediction interrelates with the second Despite considerable argument to the contrary in recent years, the executive-centred model will remain fundamental in public administration, albeit within the context of legislative control

[2]John Worthley, *Public Administration and Legislatures,* Nelson-Hall, Chicago, 1976.

Beginning in the 1950s some public administrationists and many other commentators on bureaucracy pointed to a breakdown in the effectiveness of the classical bureaucratic model. The standard permanent hierarchical system of authority and decision-making was seen as giving way to flexible ad hoc groups of experts gathered to solve a particular, isolated problem. Furthermore, the classical bureaucratic model was seen as unresponsive to demands of a highly-educated society The dictum that the chief executive's authority and responsibility were inextricably intertwined was eroding in the light of executive irresponsibility

What has happened thus far, and there is no reason to think it will not continue, is that the executive-centred model has undergone minor adjustments without major surgery The reason for this is that critics of the bureaucratic form of organisation have overlooked the varied functions of organisations, and when we consider all of those functions bureaucracy remains the best structure for performing them To paraphrase a familiar saying : bureaucracy is the worst form of organisation, except for all the other possible forms.

Herein lies another reason why legislative performance will be of increasing concern to public administrationists in the future. Evaluation and control are now and will continue to be of paramount interest to public administration There are distinct limitations to the capability of organisations when they try to evaluate and control themselves Negative information about performance is discouraged at best, stifled at worst, when organisations set out to explore their own strengths and weaknesses. The legislature is an obvious setting for more objective criticism that can be publically proclaimed Traditional public administration abhorred the oversight role of legislatures, future public administration may well loudly praise it.

ECONOMIC DEVELOPMENT AND HUMAN SERVICES

We are presently at a critical turning point in public administration regarding the relationship of economic development and social services The assumption that the administration of economic development is an effective surrogate for the development of human services is now challenged

For many years the administration of human services has been justified slightly on humanitarian grounds, and greatly on the grounds that human beings are human resources and should be nurtured like material resources for the betterment of the economy. Of course, to this was added : what is good for the economy is good for everyone living in it.

Insofar as public administration has dealt with human services it has done so without differentiating human services from other objects of administration Other fields of education, training and research have emerged to deal with particular sectors of human services, such as social welfare, public health, and criminal justice. Within these fields well-organised and articulate

professional associations argue the case for human services as ends in themselves. These professions are far ahead of public administrationists in formulating attractive and compelling agenda for administration of human services. But they lack the public administrationists' knowledge of managing an organisation in the public sector

Already the natural marriage is taking place Public administration is utilising experts in public health, social welfare, and so on, and vice versa The effects of this for public administration could be significant. Public administrationists have always ignored how administrative actions affect individuals and groups of individuals except to the extent that they hindered or aided administrative operations. Administrative law is included in the curriculum because one does not want to see public administrators get into trouble. The political repercussions of dissatisfying or satisfying specific groups is considered serious business because one wants the government agencies to keep on going and get bigger To the extent that the human service professionals succeed in imbuing public administration with their perspectives, changes will be necessary in at least political and ethnical models.

In the political model, it will no longer be acceptable to conceive of service recipients as part of the political environment They will become part of the direct administrative model Their importance will spring from their existence as individuals with needs, rather than from their capacity to organise into politically troublesome or supportive groups The ethics of dealing with them will have to move from concern with political equilibrium to concern with individuals who have rights

Eugene Lewis has accurately depicted the current situation as one in which public administration categorises citizens as constituents, clients, or victims [3] One of the more important aspects of the conceptual differentiation lies in the way in which each classification relates to the administrative process Constituents are part of administrative decision-making; they engage in it directly or through spokesmen Clients lack direct access to the decision-making process but can have a voice in it indirectly Victims have no voice whatsoever

If the concepts of human service professionals have the predicted effect on public administration this differentiation must be reconstructed. It will no longer be acceptable for the student in public administration classroom to be told that 'this is the political reality of the public administration environment' The difference between a constituent and a victim will no longer be ethically buried under the 'that's politics' syndrome. And this will involve considerable reconceptualisation of the administrative process

The writer has presented this observation in lectures at the State University

[3]Eugene Lewis, *American Politics in Bureaucratic Age*, Winthrop Publishers, Cambridge, Massachusetts, 1977

of Moscow in the USSR. A reaction to it is worth noting in this article. According to the Russians it would be out of place to use this conceptual differentiation in the USSR, because socialism-communism eliminates the class basis for it. As a witness to the Russian system the writer saw the realities of the differentiation in operation. Nonetheless it is true that one does not find acknowledgement of and justification for the differentiation in the Russian theory of administration. But this may be because the Russians do not have a political behaviour theory of administration, on the assumption that political behaviour does not exist, or that the extent to which it does exist is an historical remnant that is disappearing.

TOWARDS UNIVERSAL PA

The final prediction is that a global discipline of public administration will increasingly evolve.

In the beginning, at least the way Americans think of these things, public administration was a science. Luther Gulick, *et al*, were designing a universal set of principles, and an approach that would yield more and more of the same. Then, particularly during and shortly after World War II, it was observed, and believed, that what the pioneers had done was to fashion an American set of principles and approach for American problems. Thus was born comparative public administration, which, as Fred Riggs has noted, was "a generalized or global framework for thinking about problems".[4] As this thinking expands and refines, says Riggs, "we shall no longer need to speak of 'comparative public administration', but only of the study of 'public administration,' and of its subfield, the study of 'American public administration'."[5]

This is not a 'safe' prediction. It is more of a reasonable hope based on clearly discernible things happening today. It is one thing to say that public problems are now global, requiring global approaches. It is another thing to confidently predict that the requirement will be met. American public administration was isolationist prior to World War II, globally conscious from 1945 to the early 1960s, isolationist again in the sixties and seventies, although during the past five years or so we have become highly aware of our dependence on the world. Where we go from here will depend on how capable we are at translating felt need into public administration concepts. Management of scarce resources is a concept preferred by some observers as appropriate in this regard. There is probably much usefulness in this so long as we realise that scarce resources is a subjective value in most cases and that at the level of public problems there is competition amongst various

[4]Fred Riggs, "The Group and the Movement: Notes on Comparative and Development Administration," *Public Administration Review*, Vol. 36, No 6, 1976, p 652

[5]Riggs, *Loc. cit.*

subjective values. Is there a gasoline shortage or are there too many automobiles? Is there too much hunger or too many people?

It is important, at least for those wishing to take this prediction seriously, not to confuse 'a global framework' with 'a science'. There is no indication that Gulick's dream can now be realised. The future will not alter what is now firmly entrenched with respect to science and public administration, which is that public administration is not, cannot be, a science, though it can utilise all the sciences.

PUBLIC ADMINISTRATION AS MYTH

To a certain and significant extent public administration should be regarded as a useful, functional myth We pretend that through the wisdom collected in the discipline of public administration government is conducted better than it would without the wisdom We pretend that methods of evaluation are objectively ascertainable, that efficiency is measurable, that quantitative measurement informs beyond judgment, and so forth. Pretending is not only important, it is indispensable for the daily procedure of any social group or individual The myth, however, must be known as such, and the breadth of its grasp must be constantly analysed

Public administrationists are in the difficult position of being defenders and champions of the prevailing public administration myths While a sociologist, say, can analyse public administration as myth and remain within the legitimate confines of his discipline, most professors of public administration act out and add to the myths of their field in the accepted mode of their calling

Thus, when public administration is challenged as myth, public administrationists may be the last people capable of dealing with the challenge For example, increasingly we hear about what one writer has called the 'crumbling consensus' about truth, who's gaining, and what works in America's largest cities [6] In the future we should expect such challenges to grow, perhaps alarmingly Around the world demands on public administration are bludgeoning It is not enough to fashion administrative technologies as responses, a consensus of confidence in these technologies must also come forth The myth of public administration must proceed alongside the technology Therefore, we have an explosive scenario evolving Increases in felt needs lead to more public administration, which means more myth Simultaneously, there is predictable decline in the capacity of the technologies to succeed in alleviating the felt pressures, the deprivations, the injustices of 'the system', and the loss of trust

The future of public administration as a discipline can be negatively affected by these forces outside its control There lies ahead a great need

[6] Waldo, *op cit*, p 187

to find ways out of the role in which the public administrationist finds himself defending what may be indefensive. Can public administrationists find ways out of this dilemma? Could there be found a role for public administration as a discipline that did not require public administrationists to be promulgators of precarious myths? Working on answers to these questions may be far more important than any other activity to be undertaken by public administrationists in the coming decades

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The Interests of the Present and the Future

One reason for believing that the interests of the present and the future are different rather than the same is analytical in character. One of the powerful present needs about the future is the need to see it as sufficiently open and sufficiently pliable to make one think that it can be shaped by one's plans and actions. What this condition serves is our present need to feel a sense of potency, a sense of freedom, and a sense of potential personal consequence This is one of the needs met by present efforts to shape the future with long-range programs of great magnitude One may argue that an increase in the number of such programs need not create a sense of 'unfreedom' and confinement of choice on the part of those who live, twenty years later, in an environment shaped by their successful outcomes. For, it could be argued, the population of 1985 will be able to achieve its sense of potency, freedom, and consequence by using the conditions we are creating for it in even more ambitious efforts to shape the life situations of those who will live in 2005.

—EDWIN A BOCK, "Governmental Problems Arising from the Use and Abuse of the Future—the Last Colonialism?" in *Temporal Dimensions of Development Administration*, (ed) DWIGHT WALDO, 1970.

Management Practices in Government for the Coming Decade

Ishwar Dayal

CHANGING CIRCUMSTANCES in the environment and changes in the nature of the administrative tasks in government will necessitate changes in management practices as well. For example, distributing essential supplies like foodgrains, fertilisers, etc , to much larger numbers of people would require more precise and uptodate information about crops, inventory of foodgrains, transport, etc , and a dynamic machinery to take quicker decisions on food movements A large volume of data may require machine processing, an exercise that would, in turn, induce changes within the administrative departments When the needed changes in administration do not occur simultaneously with the change and growth of tasks, public services experience greater stresses and strains and the people show increasing disapproval of the government Changes in the environment and in the nature of the tasks handled by government are inevitable. It is, therefore, pertinent to inquire what changes would occur in the government's management practices that would match the changes in the society and in the ever complex tasks that government must continue to assume [1]

The changes I am concerned with are those that are significant enough to noticeably alter the way the government organisation functions and noticeably bestow the anticipated benefits on the people I shall not concern myself here with the changes in the routing of files, in the design of forms, in manpower standards, etc These are routine changes in any administrative office, usually initiated by individual departmental heads depending upon how much personal interest they may have in maintaining a continuously improving flow of work

In order to speculate on the kind of changes in management practices that may be expected in government in the next decade, two things must be assessed : (*i*) the changes that have been brought about in the last decade

[1]Studies on future forecasts clearly show that the increasing burden of population and shortages would require significant changes in administration to cope with problems even at the present level of efficiency. See, for example, "An Outlook for India's Future (2000 AD)", Interim Report on Futurology, National Committee on Science & Technology, Government of India, New Delhi, 1978,

or so in order to determine the preparedness of the system for the tasks it undertakes, and (*ii*) factors within the system and outside it that would induce further change.

THE LAST DECADE

The two major sources of change in the last ten or fifteen years were: (*i*) the recommendations of the Administrative Reforms Commission, and (*ii*) greater application of the ideas of programme management in administration particularly in agriculture. The patterns of change were initiated generally by the ministries concerned on the recommendations made by committees/commissions set up for the purpose or by financial agencies such as the World Bank.

According to reports, many of the recommendations of the Administrative Reforms Commission (ARC), 1966-69, have been implemented by government. Many other important changes in administration have been deferred. For example, ARC had emphasised the need for eight fields of specialisation in administration . economic, industrial, agriculture, social and educational, personnel, finance, defence and internal security, and planning They had also recommended that performance budgeting should be instituted in all ministries. I am not sure that the Commission made a full and complete examination of the implications of the changes recommended in these areas particularly because support systems that could make the proposed changes work satisfactorily were not suggested in their report. It is doubtful whether far reaching changes of the kind proposed by ARC can be implemented successfully without carrying out a number of simultaneous related changes When one considers the lack of support systems for change, one cannot be surprised that certain important recommendations were deferred in some of the sensitive areas stated above

The community development programme and the panchayati raj were the major changes initiated in the past decade but few of us are convinced of their success. Little was done to improve local administration or suitably alter the premises of the existing pattern. Several models of urban development in West Bengal, Delhi and Maharashtra were tried without yielding enough evidence of their having progressed beyond the initial stage of experiment

The changes in district or field level administration that have been carried out relate mainly to programmes in agriculture management such as command area development (CAD) and drought prone areas programme (DPAP) In these and other similar programmes, the attempt has been made to demarcate interconnected tasks necesary for achieving certain results, and to assign the package to a duly recognised body to coordinate the tasks with a view to achieving better results. Some programmes such as DPAP have been given autonomous status yet linking them with district authority.

The same programme approach is assumed in respect to tribal welfare, small farmers' agency and several other programmes, though executive responsibility has seldom, if ever, been given to such bodies as have handled these programmes.

Summarising reforms in government, B.C Mathur reports that increasing emphasis is laid on the following :

(*i*) decentralising administration,
(*ii*) delegating optimal administrative and financial powers to all decision making levels,
(*iii*) simplifying rules and procedures: and
(*iv*) fixing time limits and norms for the compilation of various types of work [2]

Studies have been carried out in some departments in the government, and reports are circulated to other departments for information. The priority of reforms in the ministry being low and incumbency at higher levels also being short, the probability is also low of experiments being repeated in other departments Follow-up of results confirms that few departments use with effect the advantage of the experiences gained in another department. The transfer rate of significant changes in organisations is indeed dishearteningly low in India as it is in other developing countries [3]

Government administration being so vast and so spread out over the country the overall impact of isolated measures taken in a department or in a segment of administration, tends to get lost. Another difficulty we have to acknowledge is that change strategy seldom views problems in a systemic perspective It ignores interdependent issues and fails to study technical and behavioural issues as an integral part of the same package Thus the intended impact of procedural changes does not occur A typical illustration of this kind of limited impact of change in administration is the way in which the transfer of financial powers to the ministries was carried out This reform was expected to make ministries autonomous of the ministry of finance It was anticipated that the change would facilitate quick decisions on policies and swift action in programmes. In the last several years after the implementation of this reform, its impact on the functioning of ministries is imperceptible. Two explanations of the low impact of what was regarded as a basic reform in administration are: (*i*) simultaneous changes

[2]B C Mathur, "Administrative Reforms for Decentralised Development. The Indian Experience" in A.P. Saxena (ed), *Administrative Reforms for Centralized Development*, APDAC, Kuala Lumpur 1980, pp 56-57.

[3]In most countries reforms in administration have failed to keep pace with changes in the situation For a general review of administrative changes in Government see United Nations publication, *Handbook on the Improvement of Administrative Management in Public Administration.*

in role behaviour and setting up of support systems were not carried out along with decentralisation of financial authority, and (*ii*) the extreme caution and implicit reservations in programme implementation have defeated the very purpose of the reform, making it fragmentary and depriving it of a systemic base.

Briefly, three generalisations about changes in management practices in government may be made, as follows :

(*i*) Major changes result from recommendations of commissions or committees appointed by the government. The quality of their recommendations depends on the quality of the expertise of members appointed to these bodies. Government makes a piecemeal examination of the recommendations In doing so, the totality becomes imbalanced.

(*ii*) Changes in administration are segmentary, pertaining to a section of administration or a single function. The administrators sit as judges on the recommendations and rarely as if they were party to the logic of the recommendations. The rationale of the analysis and the dynamics of the situation and the action plan are often on 'separate tables', that is, much removed from the managers who manage the change The result of separate tables is that the procedure and the form are implemented. The concept that lies at the core of the recommendation is overlooked

(*iii*) Expert bodies are set up on considerations of their being acceptable to a larger number of the people concerned and not necessarily for their expertise in the field of concern.

The mechanics of initiating reforms and implementing changes in government is impersonal, fragmentary and has, therefore, mechanistic rather than techno-behavioural orientation

INDUCEMENT TO CHANGE

The kind of changes in management practices that are of concern here generally come about as a result of certain pressures upon the government; the most common are identified below :

1 A commission or a committee has to be appointed to recommend changes in management practices if administration is seen to continuously fail to perform well over an extended period of time.

2 Grant or loan giving agencies, especially international agencies such as the World Bank, Asian Development Bank, etc , condition a particular pattern in administrative arrangements or insist on the appointment of consulting organisations before granting funds for a project

3 Depending upon the leadership of an individual minister or secretary in the ministry, changes are initiated either from within or through consultation outside.
4. Strong public protest on certain issues, even if rare, leads to the examination of certain aspects of administration and change, as in the case of food distribution, etc.
5. The designated agencies of the government, such as the department of administrative reforms and others, undertake studies at the request of a department, or through the individual initiative of its head or of the senior members of the unit concerned to improve existing procedures.

Public administration is too diffused in its authority structure, and too deeply entrenched in its functional autonomy to facilitate coordinated effort from within the administrative system except where the issues are initiated by the prime minister or persons close to the seat of power such as the cabinet office [4] Invariably these changes refer to specific segments of administration or certain functions such as planning, licensing, etc., and not at all to the totality.

Having briefly examined the nature of changes in the recent past and the sources of action for change in government's management practices, it may be possible to speculate on some likely changes that may come about in the next decade Such speculation should be preceded by identification of the sources of pressures for change, and, secondly, by considering the kind of changes that may become essential.

THE SOURCE OF PRESSURES

External as well as internal factors exercise pressure for change In the next decade, the external factors that would tend to demonstrate much pressure may be at least three, as follows:

(*i*) Public discontent and persistent demonstration of it in direct confrontation with the legal protectors of administration

(*ii*) The impact of population and, combined with (*i*) above, the pressure upon administration to improve public services, distribution and movement of essential supplies, health services, and the like

(*iii*) The inevitability of a greater use and application of technology on account of much growth in population and its consequential problems.

[4]See for detailed discussion Ishwar Dayal, "Challenge of Change in Government," Paper presented at the seminar on *Public Services and Social Responsibility* held by the Indian Institute of Advanced Study, Simla, October 6-11, 1973.

The changes induced by these pressures would still be segments while the totality of administration would remain untouched by change. The reasons as I see them for this conclusion are to be found in the history and the methodology of reforms in administration. The most important reasons are these :

—Continuing unwillingness both at political and administrative levels to bring about far-reaching significant systemic changes
—Neither the administration nor the political system has the interest, the vitality and the drive to tackle systemic reforms. Systemic change calls for a risk taking capacity and enough respite from other social problems.
—The pressure of the environmental factors would be strong enough to require continuous fire fighting operations of the kind we witness today and would hardly allow administration enough time to work towards a systemic, wholistic and well organised approach to change.

As the problems become more complex and failures are experienced through administrative inadequacies, the need for reviewing administration would perhaps be discussed Action in this respect will depend on the political climate towards the end of the decade and how much time and interest political and administrative leadership can spare from the demands of fire fighting and power consolidation The strategy of seeking piecemeal solutions is likely to continue in the decade under speculation. There is certainly a likelihood for setting up units outside government as an expedient, as was done in the last decade, such as CAA or DPAP and to 'somehow deal with the situation' With 1980 round the corner, there is no evidence of a serious evaluation of the programme management approach nor of its impact on administration as a whole Hence the ad hoc approach looks as if it will continue to be practised whenever changes are needed; and in some cases the programme management approach may even be relevant.

Two major factors would contribute to pressures from within the administration as follows :

(*i*) the increasing use of technology in administration in programmes and projects,[5] and
(*ii*) as a result of this factor the already dysfunctional personnel practices in government would become more stressful. The cost of administration will continue to snowball due to ill-suited work designs and wasteful procedures.

[5]Ishwar Dayal, "Public Administration in 2000 AD in India" *Economic Times*, February 13, 1976, Bombay.

It is unlikely that really decisive action would be taken to reduce costs of administration, for any action needed to deal effectively with this problem requires careful study, planning and implementation, all these can flourish only in a relatively stable environment and through a far deeper understanding of the processes of administration than exists In the present context few concerned persons are able to take an objective enough view of the system. When crisis is a normal situation, administration generally develops a fire-fighting perspective in place of the systemic.

Personnel management issues will surface more markedly in terms of deeper conflict between the generalist and the specialist category of employees. Such failures sharpen the differences in the society, as much as administrative failures do. The government has shown lack of foresight in relating salary levels in public sector enterprises with those of the civil services. The public enterprises employ a large number of technical staff and their dissatisfaction with their terms of service would become a focal point of their total dissatisfaction There is need to keep the civil service organisation separate from the public sector services if the developing dissatisfactions in both are to be contained.

The differences between the generalist and the specialist category of employees in government would be diffused perhaps by appointing a pay commission to look into the situation. The constitution and membership of the pay commission, or a body similar to it, will indicate whether a long term solution is sought to be found or the issues are to be deferred. If the pay commission consists of people who are willing to examine the basic structure of civil service tasks, and to suggest a long term solution, the decade after next will see major changes in the personnel policy of the government If the commission is pressured for solving the immediate problems, the issues will be deferred for a future date If past experience is a guide, the probability of the latter approach on the part of government is high The approach will also depend on the political situation in the country and the concerns of the leadership guiding the political and administrative affairs of the nation.

Let me summarise the kinds of management practices that my analysis suggests will prevail for the next decade:

1. Ad hoc solutions to problems in public administration would continue to be sought. The major problems will relate to public services and those dealing with transportation, storage and matters that generally invite confrontation with the public I believe that public protest would increase . it would be more direct and show aggressive impatience.
2. There would be greater use and application of technology and thus a further widening of the differences between the so-called generalist categories and the specialist This matter would perhaps be sought

to be diffused by appointment of a pay commission or the like depending on the political situation and the leadership available towards the second half of the decade.

3. There would be a continuing tendency to set up link organisations to deal with special programmes and projects, whose effectiveness will depend on the particular task system for which this pattern is proposed and not the particular design itself. In some cases it may work and in others it will surely fail because government will not create the supporting frames needed to ensure all round success.

I see no special pressures either from without or from within the administration that would significantly induce the needed *basic changes* in management practices in government in the next decade I must reiterate that I am discussing neither changes in procedures, nor revisions in manpower standards or the like. My analysis is based on the premise that, generally, changes in management practices come because of pressures upon the administration from without and from within. In my judgment the political instability in the country would not be the proper environment in which the government in power makes a significant departure from the situation witnessed in the last decade Rather, steps will be taken to diffuse the situation to buy time For this purpose, the common strategy in public administration is likely to be used, *i.e*, the appointment of committees or commissions to enquire into problems

Changes in basic management practices require change also in the underlying assumptions about people and the situation. As McGregor has pointed out, procedures are derived through the assumptions underlying them. Close supervision is instituted, or double checking of entries in the ledger books is required, for example, because of the administrator's assumption that employees will make mistakes or misuse information unless there is close supervision and double entry is made McGregor suggests that procedural changes rarely come by changing procedures unless the assumptions underlying the procedures are examined. There is no evidence at present to suggest that any significant effort is likely to be made in the next decade to examine the assumptions in administration or the practices as related to these assumptions [6]

It is necessary for me to explicitly state my assumption underlying my analysis of management practices in government because another analyst with a different assumption may point to different conclusions. My basic assumption is that changes in government administration have had a very limited impact both in terms of services to the people and in terms of the cost of managing them These are two essential criteria for judging the effectiveness of administration. The reform measures taken by government

[6] D. McGregor, *The Human Side of Enterprise*, McGraw Hill, New York, 1960.

at the recommendation of special bodies appointed for the purpose, or from within, have had limited impact on citizen services and on the burden of costs.

Another assumption underlying my analysis is that the reasons for the failure of administrative reform measures are the limitations of both the perspectives of the reforms and the dynamics of implementing them. Complex situations of the kind we have in India, require changes in several areas simultaneously before they have a chance of success. The present method of inquiry through commission and committee is also unlikely to bring significant results as changes require dealing with both technical and human problems alike. Unless the 'system managers' were themselves involved in analysis and in the search for alternatives and remedial action, technical and human problems will perpetuate, as they have done in the past.

FUTURE ACTION

The premises for analysing management development in the next decade also point to the steps that might be needed to improve administration in government The essential characteristics of the steps needed to change management practice include the following ·

(*i*) A more tangible effort on the part of the political and the administrative leadership, to demonstrate a shift from intent to action which includes the following ·
  (*a*) an effort to understand what aspects of administration are inadequate and how they have become so. The exercise will require specialists to analyse the situation and to help leadership to understand the dynamics of drift and inaction
  (*b*) an effort to understand how administrative change can come about and what role the leadership has to play in bringing it about.
  (*c*) willingness to spend equivalent of about one day in a month for discussion and such action as may be required in the situation

(*ii*) The programme for improvement should involve studies by outside experts and involve senior administrators in analysis and action planning The methodology must be that of action research and not of setting up a group to prescribe what other people thought to do

(*iii*) Given the sort of conditions we have in India the programme would have to be housed in the office of the prime minister and supervised by a cabinet committee.

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Bureaucracy in India : Challenges of the Eighties

C.P. Bhambhri

PUBLIC BUREAUCRACY plays a central and critical role in nation building in modern societies, and on its performance capacity depends the success or failure of various crucial programmes of socio-economic development. As a catalytic agent of change, bureaucracy tends to become a powerful social institution in developing countries. Because of its social power, the 3,884 Indian Administrative Service (IAS) officers are described as 'elite' or brahmans of the Indian society.

Since the independence of India, the higher echelons of bureaucracy have been confronted with many challenges, and their responses have attracted scholarly investigations. The Indian and foreign scholars in the 50s and 60s made detailed studies of the Indian bureaucracy with specific reference to their socio-economic background. The reference point of scholarly studies was to find out the differences between the 'guardian class', *i.e.*, the Indian Civil Service (ICS) of the colonial period, and the Indian Administrative Service of the independent country. The premise of such a comparative study was that colonial bureaucracy, its attitudes and norms of work were ill-suited to the tasks of nation building. Regulatory bureaucracy of the colonial period was considered irrelevant for developmental tasks confronting a new nation. Two kinds of scholarly studies emerged in the 50s and 60s, and their evaluations of colonial legacy differed because of their perspectives. Ralph Braibanti[1], W.H. Morris-Jones[2], and Samuel J. Huntington[3] described post-independence stability of India to the adaptive capacity of the colonial bureaucracy to the new political milieu of a free country.

According to these three scholars, India escaped the holocaust and anarchy of the post-colonial phase because of the resilience and flexibility shown by the colonial bureaucracy in its adjustment with the new political masters. Huntington clearly attributes effective governance with

[1]Ralph Braibanti (ed.), *Asian Bureaucratic System: Emergent from the British Imperial Tradition*, Durham. Duke University Press, 1966.

[2]W.H. Morris-Jones, *Government and Politics of India*, (3rd edn.), London, Hutchinson University Library, 1971.

[3]Samuel J. Huntington, *Political Order in Changing Societies*, New Haven, 1968.

institutionalisation. He observes : "A government with a weak level of institutionalization is not just a weak government; it is also a bad government".[4]

In the case of India, such an institutionalisation was provided by the Congress Party and the Indian bureaucracy

VESTIGES OF COLONIAL RULE

While Braibanti, Morris-Jones and Huntington attributed the success and stability of Indian democracy to the dynamics of 'continuity and change' showed by the Indian bureaucracy, a few other scholars in the 50s and 60s argued that the hangover of colonial legacy has been dysfunctional to India's development where a democratically responsive and development-oriented bureaucracy has not emerged because of the hold of the old ICS traditions on the new IAS officers. The IAS was created in the image of the ICS, and all the drawbacks of the ICS system persisted in the new IAS Restricted entry to a limited number of members with full control over key administrative positions was the basis of the ICS system, and the IAS had perpetuated this system It was maintained that the grip of colonial traditions over the new IAS did not become weak, while the role expectations from the new IAS were fundamentally different from those of the old ICS Harry W Blair sums up this perspective, and he observes:

> In other words, the services are allowed to restrict their intake, keep their monopoly over strategic positions in the bureaucracy and go on with their perquisites .and for all this they support whatever the politicians want [5]

While the scholarly studies of the 50s and 60s were primarily concerned with the socio-economic background of the bureaucracy, and attitudes towards development, democracy and social change, a scholarly dissatisfaction with such studies was clearly observable. An important question was Can bureaucracy and its behaviour be analysed by focussing attention on its internal structure? If public bureaucracy is a powerful social institution, it should be studied in relation with other powerful societal forces How does bureaucracy interact with its cultural, economic and political context? India is establishing a modern state, but it is an old and traditional society How are the modern political institutions, including public bureaucracy, interacting with old and established cultures?[6]

[4]Huntington, *op cit*, p 28

[5]Harry W. Blair, "Mrs. Gandhi's Emergency, The Indian Elections of 1977, Pluralism and Marxism : "Problems and Paradigms" in *Modern Asian Studies*, Cambridge University Press, Vol 14, No 2, April 1980, p 280.

[6]For a theoretical perspective on bureaucracy and culture see, David Nachmias and David H Rosenbloom, *Bureaucratic Culture*, London, Croom Helm Ltd., pp. 212,

Public bureaucracy cannot be completely insulated from and be autonomous of its cultural socialisation. Some American scholars studied corruption and favouritism in the public bureaucracy of India, and accounted this phenomenon, in fact, to the *'prismatic'* nature of India and of Indian administration.[7]

Guy Peter maintains that the influence of the patterns of political culture and general cultural values is felt not only on the output of the administrative system, but also on the internal management of the organisations. After all, we are the products of our 'own culture and see the world from our own perspective'

A question was raised: What is the relationship between the 'Hindu mind', the 'Hindu personality' and the culture of bureaucratic elite in India? V. Subramaniam examined this issue after his study of the social background of the administrators [8]

The Hindu sociology of behaviour is based on caste, community and religious loyalties and fraternity. Such loyalties should influence bureaucratic behaviour and responses in role performance. Stanley Heginbotham[9] brings out the relation between Indian culture and bureaucracy, and its many facets of conflict and tensions.

During the 70s bureaucratic performance in actual action was examined in relation to the cultural setting of the country and its impact on bureaucratic beliefs and value orientations.

CULTURAL CONTEXT OF INDIAN BUREAUCRACY

Miriam Sharma clearly brings out one aspect of the cultural context of Indian bureaucracy while investigating factional politics at the village level. The high caste sub-inspector of police did not visit the *chamar* area to investigate a complaint against the bhumihar pradhan. While the complaint against the bhumihar pradhan was filed by the *chamars*, the sub-inspector visited the bhumihar family to investigate the complaint filed against them Caste status of the sub-inspector prevented him from mixing with chamarpura [10]

This trend of studying bureaucracy in action in a relational context was encouraged by the writings of civil servants in India who revealed great

[7]Guy Peters, *The Politics of Bureaucracy. A Comparative Perspective*, New York, Longman Inc 1978, p 47 Also see Lucian W. Pye and Sidney Verba, *Political Culture and Political Development*, Princeton, Princeton University Press, 1965

[8]V Subramaniam, *Social Background of India's Administrators*, New Delhi, Ministry of Information, 1971.

[9]Stanley Heginbotham, *Cultures in Conflict . The Four Faces of Indian Bureaucracy*, Berkeley, University of California Press, 1975

[10]Miriam Sharma, *The Politics of Inequality. Competition and Control in an Indian Village*, Delhi, Hindustan Publishing 1979, pp 178-83.

sensitivity to politics of administration. After independence of the country, a democratic, open, and competitive political system not only legitimised the role of the political actors, but it also established their pre-eminent position over all other structures of society. The government in India is the largest employer, and the biggest investor in economic development. Because of the leading role of the government in societal transformation, politics and political decision-makers have assumed a critical role in public affairs In the performance of their role, political leaders come into direct and face-to-face relationship with public bureaucracy. Politics has become the major factor in determining bureaucratic behaviour and action. Interaction between the politician and bureaucracy in India during the last three decades has generated many tensions and conflicts, and a plethora of studies have emerged, based on different perspectives and concrete experiences.

A few well known civil servants like Bonarjee,[11] Rao[12] and Mangat Rai[13] have critically examined the relationship between political actors and functioning administrators, and generally these authors have attributed the deteriorating standards of bureaucratic performance to political interference and personalism and pressures of political leaders.

The main thrust of these writings is that politicians in India are not wedded to norms of legality, sanctity of procedures and rules During the last three decades, administration has been pressurised to comply with the demands of the politicians by bending the rules and flouting the procedures

The mechanism of political interference in day-to-day administrative routine is dependent on the politicians' power to promote and transfer an unwilling, uncooperative and procedure-oriented official

Politicians have been able to establish their pre-eminent position over functioning bureaucrats because of the 'patronage' of promotions and transfers

These studies by functioning bureaucrats are relevant because they reflect the conflicts of values, roles, aspirations and personality backgrounds

A few aspects of studies by former civil servants in the context of administration in action should be highlighted here

First, these studies have a virtue of stating the role perceptions of bureaucrats, and the 'gaps' between theory and practice experienced by them Secondly, such studies reveal the stresses and strains of an important social institution whose collapse would endanger development of the country Thirdly, it is revealed by these authors that unnecessary political intervention can be resisted and has been resisted, maybe even by a minority of civil servants

[11]N B Bonarjee, *Under Two Masters*, Calcutta, Oxford University Press, 1970.

[12]P V R Rao, *Red Tape and White Cap*, Delhi, Orient Longmans Ltd., 1970.

[13]E N Mangat Rai, *Commitment My Style : Career in the Indian Civil Service*, Delhi, Vikas, 1973.

Fourthly, if the higher echelons of bureaucracy are involved in serious 'crisis', the lower in hierarchy, being more vulnerable, must be in serious difficulties. If the senior ICS and IAS officers felt dissatisfied with their political milieu, the other thousands of functionaries, managing developmental activities at the grassroots levels, would also be maladjusted with their environment

It is obvious that writings of former civil servants have an element of subjectivity, and they are primarily focussed on problems of their career. The basic defect of these studies is not that they are based on personal experience of the actors, but they ignore to write about some other vital experiences of their role. It is correct that politicians are interfering in administration for personal or party benefits. How are they succeeding in their goals? Such an explanation needs a comprehensive understanding of the political system, its components, its performance and its relationship between 'inputs' and 'outputs'.[14]

A political system is based on support structure which legitimises it. If politicians are using their support structure to 'get things done', bureaucracy, as a powerful social group, has its own support structure. The issue is · *politics interferes in the function of bureaucracy and bureaucracy has to confront and contain it*. To resist political intervention, bureaucracy needs support from its clients, *i e.*, the citizens. What is the relationship between bureaucracy and citizens (clients) in India? A related question is: what is the relationship between organised pressure groups and non-political lobbies and bureaucracy in India? A significant issue which has been ignored by the former civil servants in their writings is. *the politics of bureaucracy*.

CRISIS IN BUREAUCRACY

The writings of the 50s, 60s and early 70s precede the political turmoil in the country which led to the proclamation of emergency in June 1975, electoral defeat of the Congress Party in 1977, the Janata Party rule of twenty eight months, and the re-emergence of the Congress on the political scene in the 1980 elections The turbulent decade of the 70s has special significance for the functioning of Indian bureaucracy. Some important aspects of the 70s may be highlighted here to explain and interpret the crisis in bureaucracy as an institution: and the impact of environment of actual bureaucratic behaviour and performance

The emergency phase of 1975-77 witnessed the centralisation of governmental authority, and the elimination of many intermediate levels of politics which actively intervened in the day to day functioning of bureaucracy in the pre-emergency phase of Indian politics. The programmes and

[14]David Easton, *A Systems Analysis of Political Life,* Chicago, University of Chicago Press, 1979. Also see, Talcott Parsons, *The System of Modern Societies,* Englewood Cliffs, M J. Prentice-Hall, 1971.

goals of bureaucratic performance were laid down by the 'apex' centre of politics, and the bureaucrat had to completely identify with the implementation of such programmes An illustration to prove the above point is provided by the family planning programme of 1975-77. The central political authority attached great importance to family planning targets, and the bureaucrats very enthusiastically implemented it. The targets of sterilisation were achieved. The moral of this phase was that bureaucracy internalised the message of political decision-making, and vigorously performed tasks which were assigned to them. Any civil servant, who had reservations about the new political style, was either prematurely retired or eased out of critical assignments Whether bureaucratic enthusiasm for implementation of the programmes of 1975-77 was based on fear or positive acceptance of the new idiom of politics is a debatable point

For the first time, a new political combination, *i.e.*, the Janata Party came to power at the national level by defeating the Congress Party on the electoral plank of 'restoration of democracy' and rule of law. The Janata Party remained in power for twenty eight months, and it started destabilising the bureaucratic elite by shifting those who were identified with the emergency structure of governance, and the new political leaders openly talked of prosecuting bureaucrats identified with the 'emergency excesses' in the country. It was a new thing for the bureaucratic elite who were asked to defend their acts of omission and commission before commissions of inquiry. The political milieu became very hot and uncongenial for the bureaucratic elite in the post-emergency phase in India.

The Janata Party rule came to an end, and in the elections of 1980, the Congress(I) was returned to power. It caused a flutter among the bureaucratic elite who did not know the technology of adjustment with the fast changing political complexion of the country which was dramatised by the defeat of the Congress Party in 1977, the defeat of the Janata Party and the re-emergence of the Congress(I) in 1980.

During the 70s India witnessed growing political competition and accentuation of social conflicts All the indicators of social violence, *i e*, killings of the landless tenants, torture of the scheduled castes and scheduled tribes, forcible eviction of share-croppers, and inter-community and intercaste warfare assumed great seriousness in rural and urban India.

The 70s have ended, and the 80s have begun with a clear break with the decades of 50s and 60s. India has entered the phase of political competition and acute social conflicts This is the scenario of social context to which bureaucracy would be called upon to adjust. The first three decades of relationship between political leaders and bureaucratic elite were of a different kind than the emerging challenge of the 80s. Political stability and dominance of one political party on the political scene demanded a particular kind of adjustment by the bureaucracy; and the emerging political competition, the alternation of parties and the severity of social conflicts

has thrown new challenges for the bureacracy in India.

What should the bureaucracy do to meet the new challenges of 80s?

Indian bureaucracy should develop internal cohesion. Bureaucracy, like all career oriented elite groups, is highly factionalised and fragmented. It generally lacks in *esprit de corps* and internal solidarity. Political leaders are well conversant with cleavages and divisions within the bureaucracy, and they fully exploit it. A minimum harmony in the bureaucracy would be essential to confront the challenge of the changing politics in the country.

Any crisis situation demands normative response, and the most important norm of bureaucracy is to respect the sanctity of procedures. Many challenges can be met by the bureaucracy if it follows the procedures of work.

Bureaucracy should become more conscious of its obligations towards its clients, *i.e.*, the citizens. Eldersveld, Jagannadham, and Barnabas[15] in their study found that general evaluation of public administration by Indian respondents was 'negative'.

This low evaluation and mistrust of administration by the citizens has increased during the last decade with growing social tensions, and the gap between the administration and the citizen is widening The Indian bureaucracy should consciously bridge this gap.

THE POLITICS OF BUREAUCRACY

Finally, a close look is essential to understand the politics of bureaucracy and its linkages with various pressure groups in the country. Bureaucracy is a powerful social group, and its neutral orientations in politics is a myth. Many civil servants in India have joined political parties and contested the elections. Further, the bureaucratic elite expects re-employment and various other lucrative assignments in its members' career A large number of civil servants in India have been appointed as governors of States and they also have been sent abroad on lucrative assignements Can it be maintained that the politics of Indian bureaucracy is simply to advance career prospects? This is a natural desire of any professional group. When we talk of the politics of bureaucracy, the reference is to the political beliefs and attitudes of this group to the broader issues of domestic and foreign policies[16]

At a macro level, the Indian bureaucracy believes in the politics of modernisation and mixed economy On the broad political goals of nation building, political and administrative, the elite in India have shown great harmony of perspectives and interests. Further, the political commitment of the bureaucracy to modernisation of India is quite firm because it has

[15]Samuel J Eldersveld, *et al*, *Administrator in a Developing Democracy*, Glenview, Ill, Scott, Foresman, 1968

[16]Guy Peters, *op cit*, pp 167-196

opened new vistas of development for public administrators. It would not be far from truth to state that the Indian bureaucracy has a vested interest in the industrialisation of India. This also explains an easy adjustment between bureaucracy and business and industrial pressure groups in the country

The crisis of bureaucracy in the 80s would increase if political forces opposed to the modernisation of India came to political power The politics of the Indian bureaucracy and its smooth linkages with pressure groups reflect harmony in the modernising elite of India, and the only threat to this would be posed by the traditional social forces In this sphere, 80s would not pose any serious challenge to bureaucracy

SUMMING UP

The last three decades have revealed serious conflicts between bureaucracy and the cultural and political context of India. With growing political competition and social conflicts, environmental challenges to bureaucracy would increase It must set its house in order by increasing internal harmony and avoid intra-professional competition This would ensure a little smooth sailing for bureaucracy in the difficult decade of the eighties

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Human Skills as Assets

Economic growth comes about in two ways, both of which can be powerfully influenced by government policy One is building up a larger stock of productive assets and human skills The other is increasing the productivity of these assets, skills, and the country's natural resources. This involves moving capital and labor between sectors, developing new institutions, inventing and introducing new techniques of production and new products, making better choices among existing techniques, and taking steps to cut costs and eliminate waste. Growth thus involves continuous change—it has aptly been described as a process of perpetual disequilibrium

—*World Development Report*, 1980.
The World Bank, Washington

Administration and Social Development

V. Jagannadham

I HAVE BEEN thinking on the nature of society in India that we may have in the coming decades and how the administration should get ready to tackle that society. Selig Harrison made a bold bid in this direction in his book *The Most Dangerous Decade.* The Second India series of books constitute good exercises in scenario scripts. The Science and Technology Department too has a futurology wing. The Indian Institute of Public Administration in its 'Perspectives', a supplement to '*Indian Journal of Public Administration*', had engaged itself in getting articles published on 'Futuribles' I cannot say I am following such examples in the present essay.

The past, present and future have a symbiotic connection in social development because today is yesterday's tomorrow. The *Tryst with Destiny* of August 14-15, 1947, the preamble to the Constitution, and the objectives chapter of the First Five Year Plan have delineated the society of our dreams. Mrs Indira Gandhi has, as Prime Minister in the sixties, seventies and eighties, coined an expressive indigenous phrase, *garibi hatao* as the object of social development. Whether it is the secularism of the Constitution or socialism of the five year plans, we have been endeavouring to achieve a casteless and classless society

The First Five Year Plan has stated the problem of planned development to consist in "initiating a process....which will raise living standards and open out to the people opportunities for a richer and more varied life" (p 7). It has identified the economic conditions of a country at any given time as a product of the broad social environment. Under-development is characterised by the coexistence, in greater or less degree, of unutilised or underutilised manpower on the one hand and of unexploited natural resources on the other. "Economic planning has to be viewed", says the First Plan (p.7), "as an integral part of wider process aiming not merely at the development of resources in a narrow technical sense, but at the development of human faculties and the building up of an institutional framework, adequate to the needs and aspirations of the people".

The above para has paraphrased both economic and social development It has three aspects: (*a*) exploitation of material resources; (*b*) opening out to the people new opportunities for a richer and more varied life, and

(*c*) building up of an appropriate/adequate institutional framework to satisfy the needs and aspirations of the people. These are as much dreams for the future as the wishes of the past. The distinguishing feature of the present is the vital role of modern science and technology in socio-economic development.

FUTURE EXPLOSIONS

The few issues of the 'Perspectives' of Indian Institute of Public Administration contained useful articles on the future of family by Rama Krishna Mukherjee, the future of backward classes by Andre Beteille, and so on There are prognostications by Bulsara on urbanisation, Ashish Bose on population growth and several others on other subjects besides committees and commissions which have estimated the dimensions of agriculture, industry, education, health, housing, etc. There are recommendations about what needs to be done to meet these explosions in the future. Our concern is more with the structural than the dimensional changes in the future Thanks to the explosive developments in science and technology all over the world, the structural changes are more or less universal than local. Writes M V.C. Jeffreys: "Our world is increasingly difficult to understand . our values are confused and our culture is becoming increasingly standardised"[1]. This is an apt description of the contemporary global phenomenon

In India, speculations about the future society are conditioned by the hoariness of the past, ethnic diversities, parochical attachments, caste barriers, class conflicts, linguistic differences, etc Besides these indigenous elements, the challenges of modernisation brought by developments in science and technology and the heritage left by westernisation consequent on two centuries of alien rule make predictions difficult

Two theories underlie social change in India besides modernisation and westernisation common among many ex-colonial countries These are. (1) the theory of 'sanskritisation' propounded by Prof M N. Srinivas, and (2) the 'percolation theory' underlying the development plans. The first theory refers to the ascendency in caste hierarchy by the lower castes adopting the ritual practices prevailing among the higher castes The second theory is implicit in the view that the benefits of environmental improvement and economic investment filter down to those at the lower rungs of the socio-economic ladder. These two theories are to be supplemented by the state policy of 'discriminating' and 'benevolent protection' provided under the Constitution to the scheduled castes, scheduled tribes and other backward classes The prevailing social legislation points to the direction in which society should travel but leaves the pace indeterminate.

[1]M V C Jeffreys, *Personal Values in the Modern World*, a Pelican Original, 1962, p 27.

T B Bottomore, a noted British sociologist, after analysing the cohesion and division in Indian elites, writes :

> It is very likely that in the next decade the conflicts within Indian society will assume a more ideological character, and will come to resemble more closely those in other modern nations. The divisions of caste and region will add to the complexity of these conflicts, but I do not think they will be divisive in themselves Probably the most important question is going to be which of the various elites, or combinations of them—the political parties, the officials, the military chiefs, the intellectuals, or others which may emerge—can establish itself as the 'governing class', and this depends above all upon the ability of an elite to assure India's economic development and to represent adequately the aspirations of the mass of the people.[2]

Elites and economic development seem to hold the key to the type of society that emerges in the decades to come. In T.S. Eliot's words, we perceive not only the "pastness of the past but its presence". There is a continuous interaction between the traditions of the society and the political forces. Paul Brass correctly observed that "while politics modernizes society, society traditionalizes political institutions". This he observed in his study of factional politics in an Indian State. The spirit of casteism, communalism and parochialism seems to be dividing political leaders along many different lines and obstructing economic development Also, we must note that while economic opportunities liquidate social orthodoxy, the conservation of the traditional society obstructs economic enterprise and cultural change. The management of the triangular interactions of polity, economy and society is a complex function that requires to be handled by statesmanship and integrity in administration.

ECONOMIC DEVELOPMENT

While social change is a dependent variable upon economic development, the handling of the latter by the elite has been characterised by the hegemony of vested interests blocking the realisation of the twin goals of 'growth and justice'. Growth was being effected without justice anywhere on the horizon This is because of our emphasis upon increased production of machines and materials rather than of wage goods and social services In all the spheres, investment on production is not matched by the strategy of distribution of goods and services due to the absence of 'humanism' and civic participation in administration. Consequently we get the aphorism

[2]T.B Bottomore, "Cohesion and Division in Indian Elites", in Philip Mason (ed.) *India and Ceylon : Unity and Diversity*, Oxford University Press, 1967, pp 258-59.

that India's development plans made the rich richer but the poor remain where they are, if they do not become poorer.

Administration is critical to development but bureaucracy suffers from trained incompetence [3] The inherent dilemmas between elected and appointed executives could be illustrated from Jawaharlal Nehru's views before and after independence about civil service In his autobiography, written in the nineteen thirties, he says

> Of one thing I am quite sure, that no new order can be built up in India so long as the spirit of ICS pervades our administration and our public services—Therefore it seems to me quite essential that the ICS and similar services must disappear completely, as such, before we can start real work on a new order.

But he had the forethought to observe :

> Individual members of these services, if they are willing and competent for the new jobs, will be welcome, but only on new conditions [4]

After independence he not only retained the ICS but praised them continuously Apart from the bulk of the British ICS personnel, few Indian ICS officers quitted the jobs after independence—exceptions being persons like A.D Gorwala On the other hand, the government made use of them to give public enterprises commanding heights in the Indian economy. The general view, however, is that civil servants, recruited, trained and brought up for manning general administration, lack the managerial skills required for administering a planned socialistic pattern of economy. Since the middle of the century, we have been trying to ride two horses, namely, parliamentary democracy and planned development Without appropriate ideological commitment and adequate statesmanship, we are discovering, to our dismay, that the legislative debates, the interference by politicians and the vested interests are demoralising the civil services On the other hand the politicians complain of the delaying tactics of the demoralised civil service frustrating the implementation of development plans. We are caught between the horns of the dilemma, namely, democratic polity and planned development, without commitment to either; and also in the mutual 'blamegame' of civil servants and politicians

[3]F N. Neville Nagler (Principal in the British Home Office) writing on "The Image of Civil Service in Public Administration" of the Royal Institute of Public Administration, Summer 1979, Vol. 1, on top of this article gives the following quotation by Brian Sedgemore, M P. : "As politicians writ large (civil servants) seek to govern the country according to their own narrow, well-defined interests, tastes, education and background, none of which fit them on the whole to govern a modern technological, industrialised, pluralist and urbanized society".

[4]Jawaharlal Nehru, *An Autobiography*, Allied Publications, Bombay, 1962, p 445.

Attempts at reforming the administration so as to make it suitable both to democracy and development have been made through schemes of democratic decentralisation and implementation of the recommendations of the Administrative Reforms Commission in the States and at the all-India level but with little success. Angus Maddison, after analysing the Indian Administrative Reforms Commission Reports, particularly of public sector undertakings and economic administration, writes:

> The main failing of the civil service is not that it is too big or too well paid, but that it is an autocratic Anglo-Brahmin structure created to run a static economy.[5]

S.R. Maheshwari, writing a feature article in the *Indian Express* Hyderabad, June 28, 1980, says: "Seldom has the morale of the higher bureaucracy in India been as low as it is at present." Concluding the article with indictment of the political situation and the civil service system he writes:

> We are living in an age of small men catapulted to offices too big for them The democratic and electoral processes are now throwing up a new class of political leadership, namely, leaders whose origins are relatively humble and who for their very survival forge and foster linkage politics As regards the civil service the type of persons drawn into it today hardly has the courage to stand by a principle or a conviction and more often than not is too eager to please those in power The sacrificing politician has long since vanished and his place has been taken by a power-seeking netaji Likewise, the civil servant who is in demand these days is one who helps such a person in fulfilling his ambitions and in the process feathers his own nest All interests are taken care of except the national interest[6]

EMERGING SOCIAL ORDER

What is the substance of the foregoing assertions and apprehensions? Could anything definite be said about the emerging social order and the ways in which administration should equip itself to tackle them? I am afraid

[5]Angus Maddison, *Class Structure and Economic Growth · India and Pakistan since the Moghuls*, George Allen and Unwin Limited, London, 1971, p 99

[6]S R. Maheshwari, *Indian Express*, June 28, 1980, Hyderabad

At the opposite end of the spectrum Lord Hailshan considers the civil service to be an evil at present, "not because of its vices, but because of its virtues, not because it is not impartial but because it adds to the power of elective dictators, according impartiality, its skills, its disciplines, its expertise to the organised minority in power so that it becomes less possible to unseat them". Lord Hailshan, *The Dilemma of Democracy*, Collins 1978, p 161

the answer is in the negative What could one hasten to say is that in the next decade or two the Indian social structure would continue to be more or less the same as of today. Quantitatively the numbers would increase, the investment would rise; there would be more factories, barrages, power stations, railway lines, buses, roads, schools, colleges, hospitals, etc. But qualitatively the life of the people would not be far different from that of the last three decades. Some may describe this estimate as pessimistic but I regard this as pragmatic. The reasons are twofold: (*i*) The sanskritisation, modernisation, westernisation and filter down syndrome has been in operation actively for a century but caste, class, communal, parochial, linguistic parameters have been slowly relaxing but not fast disappearing The same phenomenon will continue under the given management of economy and the political leadership as of today, (*ii*) the political parties and leaders would exploit rather than eliminate the aforesaid divisions because the multi-party based democracies are inherently divisive rather than cohesive in effect.

However, the society in the next decade or two will get accelerated in being more open, plural, permissive and hybrid. If I am to choose one word for describing the emerging society, I would name it as 'hybridisation'. Just as in agriculture, the phenomenon of cross-breeding is leading towards high yielding varieties, just as in industry, synthetic production is gaining momentum; and just as in production, communications and distribution, massivisation is taking place, so also in society, rural, suburban and urban processes, have, under the impact of mechanisation of factories and farms, brought about less impact of collective or community will; and there will be greater individualisation of personal values. These will manifest themselves in the coexistence of trad-mod continuum. There will be more infants and old people and middle aged couples facing loneliness because, when children grow they leave home for outside jobs or they go outside the country. There will be greater alienation of the people from the traditional values of the family and from the government There will be more problems of lawlessness and disorderliness on account of the tensions generated by more 'growth' and less 'justice'.

PROBLEMS OF ADMINISTRATION

How should the administration equip itself to tackle the 'problems' in the emerging society? Based on past experience, it would not be hazardous to say that without radical changes in political leadership (the change of system is not of much consequence except in respect of improving defectional multi-party system) the administration could not equip itself with anything significant to tackle the emerging society's problems If new political leadership emerges and welcomes suggestions for policy and administrative changes, they would be on the following lines, namely:

Policy changes

(1) Towards full employment, (2) universal secondary education, and (3) supply of electricity at cheap rates to the mass of the people in rural areas.

Changes in Administration

The secrecy in administration must be cut to minimum by creating an open access to the people and by reducing corruption. The language of government and the language of the people should be one. The procedural delays and the hierarchical rungs should be reduced. Training and recruitment to civil service positions must be non-discriminatory and broad based through a bilingual formula.

But basically, the problem is whether administration or polity could stand and operate far above the level of society's standards? Could public opinion become more articulate and assertive? When we are talking of improving administration in isolation from the socio-economic conditions, we are seeking the impossible After thirty years of developmental politics and planning, we should review the planning techniques and Union-State relations from a fresh angle. These subjects fall outside the scope of the present essay. The emerging society would probably be a society of political radicalism, economic liberalism and social conservatism. Administration should adapt itself to hold and manage these diversities in a wholesome way

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A Lesson from History

History has taught us that wars produce hunger, but we are less aware that mass poverty can lead to war or end in chaos. While hunger rules peace cannot prevail. He who wants to ban war must also ban mass poverty Morally it makes no difference whether a human being is killed in war or is condemned to starve to death because of the indifference of others

—Introduction by WILLY BRANDT, *Report of the Independent Commission on International Development Issues*, 1980.

Contingency Approach to Public Administration : A Promise for the Eighties

Arie Halachmi

THIRTY YEARS ago, a leading American journal in the field — *Public Administration Review* (PAR) — published an article with the title "The Science of Public Administration. Three Problems" Its author, Robert A Dahl, a well known scholar, challenged the assertion that universal laws could be formulated for public administration, saying :

> In attempt to make the science of public administration analogous to natural sciences, the laws or putative laws are stripped of distortion caused by the incorrigible individual psyche, and of the presumably irrelevant effects of the cultural environment [1]

Responding to this challenge, Herbert Simon pointed out that the dichotomy that has been proposed by Robert Dahl fits more the difference between a pure science (*e g* , physics) and an applied science (*e.g* , aerodynamics or engineering) than the difference between the social science and natural science According to Simon ·

> The basic distinguishing characteristic between the pure and the applied scientist is that the former is concerned with discovering and verifying correct empirical propositions about some area of human knowledge, while the latter is concerned with reaching decisions based in part (but not exclusively) upon scientific knowledge [2]

However, one should not conclude from this passage that Simon equates

[1]Robert A Dahl, "The Science of Public Administration Three Problems", *Public Administration Review* 7(1) 1947, p 1 The importance of the cultural environment and the value system to the development of public administration was claimed 10 years later as one of the premises around which a new consensus seems to be forming See Wallace Sayre, "Premises of Public Administration Past and Emerging", *Public Administration Review* 18 (2) 1958, pp 102-105

[2]Herbert A Simon, ' A Comment on the Science of Public Administration", *Public Administration Review* 7 (3) 1947, p 200.

public administration with an applied science like aeronautics. Taking issue with Dahl's second constraint on the development of a science of public administration (*i.e.*, limitation of science that deals with human behaviour)[3] Simon says :

> Leaving the applied social scientists, who have found the field of public administration too narrow for their interests and their needs, we find a second group of rebels, a group of which I count myself a member, who wish to create a *pure* science of *human behavior* in organizations—and in particular, governmental organizations.[4]

Thirty years later some of the questions raised by Dahl's article are still valid : Did we manage to articulate those 'universal laws' or a general theory whose validity and reliability are not influenced by changing values, the uncertainty about human behaviour and the influence of the social context? Or, did we grow up to realise and to accept the fact that it is impossible to develop a universal theory of public administration? Is public administration an applied or a pure science?

The purpose of this paper is to review and to assess some of the main developments in public administration as a field of study during the last thirty years On this basis the paper asserts that the contingency approach is the most promising approach for the 80s.

THE CHALLENGE

Nicholas Henry lables the period between 1947 and 1950 as 'reaction to the challenge'. The challenge is contained in Simon's 'The Proverbs of Administration' (1946) in his *Administrative Behaviour* (1947), and in Dwight Waldo's *The Administrative State* (1948) [5] Herbert Simon's challenge, for example, is directed at some shortcomings of the classical 'principles school', pointing out that for every principle there is a counter principle, *e g* , advocacy of a small span of control (that increases the number of hierarchical layers) *vs* the recommendation to reduce the number of hierarchical layers to improve communication Robert Dahl's challenge of 'the science of public administration' (1947) along with Simon's 'proverbs' suggests that if the theory of management — in general — cannot be taken as a serious

[3]Dahl, *op cit.*, p 4.

[4]Simon, *op cit* , p 202 emphasis added.

[5]Nicholas Henry, *Public Administration and Public Affairs*, 2nd edn., Englewood Cliffs, N J , Prentice Hall, 1980, p. 36; Herbert A Simon, "The Proverbs of Administration", *Public Administration Review* 6 (1) 1946, pp 53-67; and *Administrative Behaviour A Study of the Decision Making Process in Administration Organization*, N Y , Free Press, 1947; Dwight Waldo, *The Administrative State A Study of the Political Theory of American Public Administration*, N.Y , John Wiley, 1948.

science, it is presumptuous to talk about a science in the special case of public administration. The possible grave implications of such a conclusion on the development of public administration as a field of study were felt by Dwight Waldo. They are partly dealt with in his work *The Study of Public Administration* (1955)[6]

Waldo asks 'is administration an art or a science?' and suggests that public administration has important aspects of both science and art.[7] As this writer sees it, Waldo established in this observation an important guideline for developing public administration into a field of study and a theory for action by the use of a contingency approach. The relevancy of this observation to the developing and rationale of the contingency approach will be discussed later on Here, it is sufficient to note that while Waldo points out that "the central idea of public administration is rational action",[8] he is careful to add a caveat that "an administrative organisation has an internal environment and external environment that are largely non-rational"[9] Similarly, Waldo avoids the unnecessary and artificial distinction between business management and public administration

Pointing out that the significance of 'public administration' can be sought in varying ways by the use of structural, functional analysis, Waldo sets the stage for analysis that relates all the elements of the environment, the process and the structure[10] Waldo avoids a common mistake of confusing a general theory of management or administration with partial and particularistic theories that result from observing different organisational structures, motivation (*e g* , profit or survival) environments (*i e* , internal or external), beneficiaries, source of financing or types of control and recruitment[11] Unfortunately, it is still possible to detect this mistake in recent text books in public administration *e g* , when they emphasise the false assumption that private organisations are driven by profit while public organisations are judged by the public interest and accountability[12] To be sure, Cyert and March's *A Behavioral Theory of a Firm* (1964) compliments the Simon Smithburg and Thompson (1950) notion of organisational survival as a major drive of organisational behaviour.[13] Even though this point is not central to our discussion here, it is worth noting that the growing use

[6]Dwight Waldo, *The Study of Public Administration*, N Y , Random House, 1955

[7]*Ibid* , p 3

[8]*Ibid* , p 11

[9]*Ibid* , p 13

[10]*Ibid* , pp. 8-9

[11]See for example Peter M Blau and W Richard Scott, *Formal Organizations*, San Francisco, Chandler, 1962, p 40 ff

[12]See for example Jerome B McKinney and Lawrence C Howard, *Public Administration*, Oak Park, Moore Publishing Co , 1979 pp 41-43

[13]Richard M Cyert and James G March, *Behavioral Theory of the Firm*, Englewood Cliffs, N J , Prentice-Hall, 1963

of benefit cost analysis in the public sector, and particularly in connection with the use of PPBS and ZBB, suggests that accounting of benefit and cost in the public sector is as important as it is in the private sector. Turning public agencies like the post office in the US into a public corporation to facilitate economy and adjustment to changing needs and market situations is another case in point to illustrate the fallacy of the proposed dichotomy between a theory of business administration and a theory of public administration Finally, the increased involvement of the government in regulating and licensing the private sector suggests that private entrepreneurs may have to consider accountability and the public interest. In comparison, some 'strong' public agencies are 'immune' from public reviews by a shield of official secrecy.

The search for a 'unified theory of management' in the fifties represents the attempt to respond to the challenge. It can be characterised by the effort to formulate a conceptual framework for studying or thinking about management [14] This represents a shift from efforts to identify general guidelines for action that characterised the classic-principles approach. The development of such a conceptual framework was considered by many to be the only way out of the management theory jungle [15] The works of Ludwig Von Bertalanffy, on the one hand, and those of Kurt Levine. Carl Rogers and Chris Argyris, on the other, were the intellectual grounds on which such concepts were cultivated.

TOWARDS COMPOSITION AND DECOMPOSITION OF THE ORGANISATION : THE INFLUENCE OF GENERAL SYSTEM APPROACH

The general system theory influenced the thinking about management in several ways First, it directed attention to the need to study simultaneously organisational units and their interrelationships It brought up the need to define the boundaries of the system and to determine how the system under consideration relates to other systems. The general system theory pointed out also that the system must be grasped as a whole; that it cannot be understood by studying only its parts. Hence, it influenced a wholistic approach to the study of any organisation.[16]

The attractiveness of the general system theory to managers in general and public administrators in particular resulted also from its similarity and

[14]Harold Koontz (ed), *Toward a Unified Theory of Management*, N.Y., McGraw Hill, 1969

[15]See for example Harold Koontz, "The Management Theory Jungle", *Academy of Management Journal*, December 1961, pp. 174-188.

[16]For a good review of General System Theory with reference to the Classical Theory of Management see Gilbert B. Siegel, "The Classical and Systems Theories" in Michael J. White *et. al* (eds.), *Managing Public Systems*, North Scituate, Duxbury Press, 1980, Ch 1, pp 15-46.

resemblance to theories in the natural and physical sciences Bertalanffy's claim that there are basic similarities among all systems contributed not only to the scholarly thinking of social scientists but to their self-esteem as well.[17]

The reference of social scientists to scientific terms that were used earlier to describe the behaviour of biological systems such as 'homeostasis' and 'entropy' is a case in point [18] Thus, the closed, and even more so, the open system models provided social scientists with a way and legitimacy to present their theories in the same form used by physical and natural scientists The works of Parsons, Easton or Deutsch illustrate the general effort of social scientists—at least in America—to use a system approach for purposes of basic research.[19] These studies, following the tradition of research in the natural sciences, were concerned mainly with descriptive-explanatory modelling of social phenomenon (as distinct from normative-prescriptive modelling). These works and others represent the attempt of social scientists to study the functions and structures of systems in order to suggest a general, *i.e.*, universal, concept of social systems including the sub-systems of organisations or the public administration

Other works, like the studies of Bauer, Pool and Dexter, Ira Sharkansky or Thomas Dye illustrate subsequent attempts to identify not only the characteristics and boundaries of specific sub-systems, but also the critical relationships among specific units within these sub-systems of the American political/policy-making systems [20] Here again, the attempt was to identify critical relations in a descriptive-explanatory fashion. Such studies suggest why and how policies are being shaped or what influences them Yet they are (relatively) free from normative presumptions about the adequacy of the ends of the policies they deal with or their underlying values In doing so, Sharkansky, Dye and other students of public administration illustrate the possibility to qualify Dahl's claim that "the student of public administration cannot avoid a concern with ends"[21]

[17]Ludwig Von Bertalanffy, *General Systems Theory,* N.Y., G. Braziller, 1969.

[18]James G Miller, "Living Systems: Basic Concepts", *Behavioral Science* 10 (3), July 1965, pp 193-237 See also Chris Argyris, *Personality and Organization,* N Y, Harper & Row, 1957, Ch 9, pp 229-237. Argyris uses the term disorganisation However his second conclusion "that in every formal organisation lie the roots of disorganisation" suggests that he uses this term as a synonym for general system theory concept of 'entropy.'

[19]Talcott Parsons and Edward A Shils, *Toward A General Theory of Action,* Cambridge Mass, Harvard University Press, 1967, David Easton, *A System Analysis of Political Life,* N Y, Wiley, 1965; Karl W. Deutsch, *Nerves of Government,* N Y, Free Press, 1963

[20]Raymond A Bauer, Ithiel de Sola Pool and Lewis A Dexter, *American Business and Public Policy,* N Y, Atherton, 1964, Thomas R Dye, *Politics, Economics and the Public,* Chicago, Rand McNally, 1966; Ira Sharkansky and Augustus B Turnbul, III, "Budget-Making in Georgia and Wisconsin · A Test of a Model" Reprinted in Ira Sharkansky (ed), *Policy Analysis in Political Science,* Chicago, Markham Publishers, 1970, pp 225-238

[21]Dahl, *op cit*, p 3

THE HUMAN ELEMENT RECONSIDERED

Simultaneously with the development of the system approach, managers started to give more consideration to the human side of the enterprise. The Hawthorne studies revealed the significance of the human factor and the need to consider it before administrative decisions are being made.[22] The Hawthorne studies provided a strong justification for incorporating sociological[23] and psychological[24] considerations into the administrative decision-making process in general and in the area of personnel management in particular. The *American Soldier* (published in 1949) illustrates consequent attempts to relate an individual's performance to personal characteristics or morale [25] While the war and early post-war studies on managerial thinking influenced the use of measurement (and therefore testing!) to predict performance,[26] other studies concentrated on the prospect of changing attitudes or behaviour to improve it. Some of the most influential works in this direction were produced by Kurt Lewin, Carl Rogers and Chris Argyris.

Lewin wanted to know what conditions have to be changed to bring about a given result and how can one change these conditions with the means at hand. Drawing from his earlier studies on leadership, tension and levels of aspiration, Lewin introduced the concept of 'force field' in which a given condition is perceived as a result of a multitude of forces — some driving and some restraining [27] A given situation, therefore, represents a state of equilibrium among these forces Hence a desired change can result only from careful intervention to alter this equilibrium for replacing it by a new one [28]

It is important to note that while Lewin was not referring to the system approach when he advocated force field analysis or when he presented behaviour as a function of both the personality and the environment B=f (P,E) he was concerned with linkages and inter-relations in much the

[22]It is important to note that recent analysis of the original Hawthorne data challanges the original conclusion See Richard Herbert Franke and James D Kaul, "The Hawthorne Experiments· First Statistical Interpretation", *American Sociological Review* 43 (5), October 1978, pp 623-643

[23]Philip Selznick's, *TVA and the Grass Roots*, (University of California Press, 1948), is one of the early works in this direction

[24]See for example Alphonse Chapanis, Wendell R Garner and Clifford T Morgan, *Applied Experimental Psychology Human Factors in Engineering Design*, N Y , John Wiley, 1949, Ch 1, pp 1-13

[25]Samuel Steuffer, *et al*, *The American Soldier*, Military Aff Aero , 1949.

[26]For review of other early works see John C. Flanagan, "The Critical Incident Techniques" (1954) Reprinted in Don Mankin *et al* , (eds), *Classics of Industrial and Organizational Psychology*, Oak Park, Moore Publishers Co. 1980, pp 42 72 Or, Arturelt, Brayfield and Walter H Crockett, "Employee Attitudes and Employee Performance" (1955) in Mankin, *op cit* , pp 232-258.

[27]Kurt Lewin, *Field Theory and Social Science*, N Y , Harper and Brothers, 1951, p. 228.

[28]*Ibid*, pp 174-187

same way like the system approach. Also, in connection with Dahl's concern about norms, it is important to note that Lewin's concern with the role of the individual in influencing a change, results from his conviction that such involvement may increase the prospect of a successful change, and is independent from his convictions of what is normatively right or wrong To be sure, the normative attributes of Lewin's approach are a function of the ends he wanted to achieve and they cannot be derived directly from any specific value In the words of Neely Gardner

> one overriding theme is derived from the Lewinian and Rogerian postulate that people are more likely to change if they participate in exploring the reasons for, and means of, change.[29]

The approach and the works of Kurt Lewin do not support the claims concerning the necessary role of normative values in the developing of an administrative theory. For even though Lewin is not a public administrator, his works did influence both the practice and theory of public administration, *e.g.,* in the planning of governmental reorganisations or training. Also, Lewin's studies do not support Dahl's claim about the inherent limitation on the development of the science of administration because of the unpredictable human element. Lewin suggests that it is possible to generate valid assumptions about human behaviour.

Dahl claims that "what marks off the field of public administration from psychology or sociology or political institutions is its concern with human behavior in the areas of services performed by governmental agencies".[30] Using Lewin's equation B=f (P,E) it is clear that the specific reference to 'government agencies' is unnecessary The 'public' character of the agency—as far as it influences behaviour — is accounted for by consideration of the environmental factors As a matter of fact, by replacing the artificial distinction between business and public administration with a general consideration of the environment, Lewin allows for the possibility that different locations, procedures, cliental or organisational structure may influence behaviour more than the legal differences between two administrative entities In a related fashion Chris Argyris sees in the ability to differentiate between the individual and the organisation — the environment that influences behaviour — a justification for "a new behavioural sciences-organisation behaviour" He says :

> Organizational behavior can stake out a claim as a basic behavioral science because of the heavily documented empirical observation that most of life is organized—most social organizations, at the time of their

[29]Neely Gardner, "Action Training and Research", *Public Administration Review* 34(2), 1974, p 107

[30]Dahl, *op cit*, p 4.

inception, contain at least two basic components. They are the individual and the formal organization. These basic components when they are fused give birth to the social organization The properties of each must be known if the impact of their simultaneous interaction is to be determined.[31]

Carl Rogers concentrated on the individual himself and his striving for maintenance and self-enhancement.[32] He pointed out that the individual's reaction to the environment is dependent on the way he perceives it. Thus a change in the pattern of reaction, *i.e.*, behaviour, necessitates a change in the individual's frame of reference and the way he perceives the world. The Rogerian notion that the individual strives for self-enhancement on terms that he understands fits nicely with the Lewinian notion of involving the individual in the change process and the ten propositions of Chris Argyris about the inter-relation between the individual and the organisational environment. For the purpose of this article it is important to note first that like Kurt Lewin, both Rogers and Argyris present their theories as descriptive-explanatory theories. Second, like Lewin they too differentiate between the individual and the relevant environment. Third, that all of them see behaviour as a function or a dependent variable that can be explained or even predicted This is contrary to the claim of Dahl that the human factor limits the ability to develop a general theory.

Simon's response to Dahl's challenge included a suggestion for a possible new paradigm for public administration. This paradigm recommended a dual focus. One focus is on public administration as an applied science using sociology and economics to prescribe for public policy. The other possible focus is on public administration as a pure science that uses "a more solid theory on the foundations of social psychology."[33] Indeed, Simon's satisfying model of decision-making uses social psychology to point out that the rationality of a decision depends on the aspirations of the involved individual(s).[34] However, the works of Kurt Lewin, Carl Rogers and Chris Argyris, together with Abraham Maslow's concepts of the hierarchy of needs illustrate how psychological studies can provide a solid basis for an applied science. This point is demonstrated in the subsequent works of Douglas McGregor, Warren Bennis, Rensis Likert and Frederick Herzberg[35] During the 60s these scholars and others

[31]Chris Argyris, *op cit*, p 229.

[32]Carl Rogers, *Client Centered Therapy*, N Y, Houghton-Mifflin, 1951, pp. 483-524

[33]Simon, (1947) *op cit.*, p 20l.

[34]Herbert Simon, *Models of Man*, N.Y, Wiley, 1957, pp. 241-ff.

[35]See for example Douglas M McGregor, *The Human Side of Enterprise*, N.Y., McGraw Hill, 1960 Warren Bennis, "Organizations of the Future" (1967), reprinted in Jay M. Shafritz and Albert C Hyde, *Classics of Public Administration*, Oak Park Moore Publishers, 1978, pp 276-288, Renis Likert, *The Human Organization*, N Y, McGraw-Hill, 1967; Frederick Herzberg, "One More Time · How Do You Motivate Employees". (1968) Reprinted in Mankin, *op cit*, pp. 258-269

were looking at the employee's motivation and satisfaction at work as a key for improved productivity. These efforts are well illustrated by Blake and Mouton's concept of the managerial grid.[36]

The attempt to provide managers with practical suggestions concerning the organisation of work, training and the introduction of change, leadership styles, satisfaction and motivation characterised the behavioural or American approach to organisation theory (and thus to some aspects of public administration) in the late 50s and early 60s. Wendell French summarises these efforts in the diagram[37] on the next page.

THE SEARCH FOR A SYNTHESIS

The system approach and the works of social psychologists and sociologists in the 50s influenced the development of organisation theory and practices of management in the 60s. The majority of these efforts can be classified into two major categories : First, attempts to improve effectiveness and productivity by an increased involvement of employees in the administrative process. Such efforts are related to the growth of the organisational development school (OD). The second category includes the effort to improve decision-making.

The aims of OD, as understood in the US, were specified by the National Training Laboratories as follows :

1. to create on open, problem solving, climate throughout the organisation,
2. to supplement the authority associated with role or status with the authority and competence,
3. to locate decision-making and problem solving responsibilities as close to the information sources as possible,
4. to build trust among individuals and groups throughout the organisation,
5. to make competition more relevant to work goals and to maximise collaborative efforts,
6. to develop a reward system which recognises both the achievement of the organisation's mission (profits or service) and organisation development (growth of people);
7. to increase the sense of 'ownership' of organisation objectives throughout the work force,

[36]Robert R Blake and Jane S Mouton, "Grid Organizational Development" (1967). Reprinted in Mankin, *op cit*, pp. 548-555

[37]Wendell L French, *The Personnel Management Process*, 4th edn , Boston, Houghton Mifflin, 1978, p 101

FRENCH'S PARALLEL THEORIES ABOUT MOTIVATION, STYLE OF LEADERSHIP, AND ORGANISATIONAL CLIMATF

		Hierarchically directed		*Participative, self-directed, team interactive*	
Theories ←about→ motivation	Abraham Maslow	Physiological, safety,	Belonging and and security	esteem needs	Self-actualisation and growth needs needs
	Frederick Herzberg	Dissatisfiers and hygiene factors		Satisfiers and motivating factors	
	Chris Argyris	Dependence, submissiveness, frustration		Aspirations toward psychological success	
Theories about ←style of→ leadership	Douglas McGregor	Theory X cosmology		Theory Y cosmology	
	Hemphill et al	Initiating structure		Consideration	
	Blake Mouton	*Style 9 1* Maximal concern for production, minimal concern for people	*Style 5 5* "Middle-of-the-road" concern for both production and people	*Style 9 9* Maximal concern for both production and people	
Theories about ←organisational→ climate	Rensis Likert	*System 1* Explotive authoritative	*System 2* Benevolent authoritative	*System 3* Consultative	*System 4* Participative group
				Principle of supportive relations	
	Warren Bennis	Bureaucratic organisation		Organic-adaptive organisation	
	Burns and Stalker	Mechanistic systems		Organic systems	

8. to help managers to manage according to relevant objectives rather than according to 'past practices' or according to objectives which do not make sense for one's area of responsibility; and
9. to increase self-control and self-direction for people within the organisation.[38]

In England, a different version of the OD approach developed under the auspices of the Tavistock Institute.[39] As a result of studies in a British coal mine and in an Indian textile mill, the Tavistock Institute promoted the concept of the 'socio-technical system' According to the socio-technical perspective, any production organisation is a combination of technology (e g , task requirements, or physical layout) and a social system — a system of relationships between employees The two components are in mutual interaction, each determining the other. Thus, Trist, Price and other members of the Tavistock Institute were concerned with a better fit between the technology, structure and social interaction of the work place rather than exaggerate the importance of one at the expense of the other.[40]

INCREASING THE RATIONALITY OF MANAGEMENT

The effort to improve decisions-making in the 60s was characterised by two major efforts. First, a search for the meaning of goal, effectiveness and efficiency. Second, an attempt to provide the manager with a framework for action.

The different emphases of the efforts to define organisational effectiveness and organisational goals were dealt with in an excellent article by J. Barton Cunningham, 'Approaches to the Evaluation of Organizational Effectiveness' (1977) For our purpose Cunningham's summary of the different approaches as presented in the statement on the next two pages[41] is sufficient.

The attempts during the 60s, to provide managers and in particular public administrators with an analytical framework for action, represent a paradox. On the one hand, Charles Lindblom introduces his incremental model of decision-making that justifies and shows the rationality of a limited analysis in the fashion of 'muddling through' On the other hand, others were trying to increase the use of rigorous and comprehensive analysis by

[38]National Training Laboratory Institute, "What is OD?", *New and Reports* 2 (June, 1968), p 1.

[39]E L. Trist, G W Higgin, H Murray, and A B Pollock, *Organizational Choice*, London, Tavistock Publications, 1965.

[40]See Frank J Lundy and Don A Trumbo, *Psychology of Work Behavior*, Homewood, Ill , Dorsey Press, 1980, pp 502-ff

[41]J Barton Cunningham, "Approaches to the Evaluation of Organizational Effectiveness", *Academy of Management Review* 2(3), July, 1977, pp. 463-474 The table is adopted from p 472

CUNNINGHAM'S APPROACHES TO THE EVALUATION OF ORGANISATIONAL EFFECTIVENESS (1977)

Organisational Effectiveness Model	*Organisational Situation*	*Central Focus or Purpose*	*Assumption*	*Limitations*
Rational Goal	Evaluation of performance of organisational structures	Determine degree to which organisations are able to achieve their goals	An organisation is rational if its activities are organised to achieve its goals	The model frequently shows that organisations do not reach their goals. There is also a difficulty in identifying and defining organisational goals.
Systems Resource	Evaluation of performance of organisational structures.	Determine decision-maker's efficiency in allocating and utilising resources for fulfilling various systems needs.	An organisation, in order to survive, must satisfy some basic needs: 1. Acquiring resources, 2 Interpreting the real properties of the external environment, 3. Production of outputs, 4 Maintenance of day-to-day internal activities, 5. Coordinating relationships among the various subsystems, 6. Responding to feedback, 7. Evaluating the effect of its decisions, and 8. Accomplishing goals.	Measures of all systems needs are difficult to develop.
Managerial Process	Evaluation of performance of organisation's human resources	Determine capability or productivity of managers or managerial processes.	An organisation can be considered rational when its various managerial processes and patterns enhance the individual's productivity or capability to obtain objectives.	Measures of productivity and capabilities pinpoint personal problems and limitations.

Organisational Development	Evaluation of performance of organisation's human resources.	Determine organisation's ability to work as a team and fit the needs of its individual members	Work which is organised to meet people's needs as well as organisational requirements tends to produce the highest productivity	Emphasis on the informal organisation takes precedence over the formal. Individuals may be reluctant to accept interpersonal feedback supplied by the model
Bargaining	Evaluation of impact of decisions	Determine use or uses which various decision-makers make of their resources in achieving organisational goals	An organisation is a cooperative, sometimes competitive, resource distributing system.	The model deals with a very specific part of the organisation's activities
Structural Functional	Evaluation of impact of organisation's structure on performance	Determine organisation's ability to develop structures to maintain and strengthen performance	A system's survival is equated to satisfying five needs 1 Security of organisation in relation to environment, 2 Stability of lines of authority and communication, 3. Stability of informal relations in organisation, 4 Continuity of policy-making, and 5. Homogeneity of outlook	The model deals with a very specific part of the organisations' activities.
Functional	Evaluation of impact of organisational activities	Provide information on social consequences of organisational activities and on organisation's ability to meet needs of key client groups in its environment.	Every system must define its purpose for being (goal attainment), determine resources to achieve its goals (adaptation), establish means for coordinating its efforts (integration), and reduce strains and tensions in its environment (pattern maintenance)	The model deals with a very specific part of the organisation's activities.

his situation so unique.[48] In this way the contingency approach allows learning and the use of new ideas while avoiding the risk of transplanting them without the necessary modifications. The failure of PPB outside of the defence establishment in the US and its limited successes in other countries that imitated the US without much modification is a case in point.

Another important attribute of the contingency approach is the advocacy of caution and scepticism. As a matter of fact, the essence of the contingency approach can be summarised in the note 'it all depends'. The contingency school is against a cookbook approach. It rejects the notion that there are readymade or permanent solutions. It points out that a recipe that seems to work once may not work again in the future or in other organisations because of differences in the external or internal environments. Instead, the approach recommends a continuous study to find out how changes—and particularly changes in the external environment—are likely to influence the inter-dependencies among sub-systems, and thus their function. Consequently, the contingency approach makes an OD effort only one of several efforts to identify a need for change. In other words, as I see it, the contingency approach is concerned with all the sub-systems of the organisation, *e g.*, technological and financial as well as with the human sub-system.

CONTINGENCY APPROACH AS A UNIVERSAL APPROACH

I have started this paper with a reference to Robert Dahl's criticism of the science of public administration because in his opinion public administration cannot produce a valid set of universal laws. In different places I tried to show that some of the constraints that were supposed to prevent the development of such laws according to Dahl, did not have their intended impact Specifically, the unpredictability of the human nature did not stop the behavioural scientist from developing a body of knowledge to predict human response under specified conditions Similarly, a possible concern about value systems did not keep other social scientists from developing frameworks to study and analyse organisations for purpose of describing and explaining the administrative process and its results All this took place during the last 30 years mostly without the need to pass a judgement about the desirability of certain patterns of behaviour, organisational structure or styles of management from a normative point of view Even when McGregor and others presented alternative or preferred models of managerial behaviour, its desirability was explained by reference to its expected potential to work better under given circumstances and not because of a claim for normative superiority

[48]The need to train decision makers to differentiate between 'generic' characteristics and 'ad hoc' characteristics was elaborated in Arie Halachmi, "Introducing the Concept of Feasibility in Class", *Teaching Political Science* 6(3) April, 1979, pp 291-310

Since the contingency approach, as I understand it, developed as a result of different and independent scholarly effort, it can incorporate opposing views without being inconsistent.[49] To be sure, the contingency approach makes use of many theories to help the manager identify the components, variables and inter-dependencies in a given situation By training the manager to carry out systematic analysis of the situation along with the possible consequences of each decision, contingency approach is a way to study or to prepare the manager to carry out his job anywhere It does not tell the manager (like the classical approach) what is the preferred solution or the better theory by which to search for it Rather it leaves him with doubts that should make him confirm and double check each move he makes Thus, the contingency approach reduces the risk that something which is artificial, alien or contradicting to a given situation norm or culture would be adopted and go undetected for a long time.

The contingency approach advocates a way of looking and studying organisations Thus, it does not have to be concerned with the possible differences between public and private organisations, character of cliental technology, products or socio-political ecology of the organisation These and other factors are considered to the extent that they are to be relevant to the design of the organisation or the style of management Hence, the cultural differences between societies become part of distinct sets of variables upon which an optional or a satisfactory performance of a given structure or managerial style is contingent

The theoretical elegance of the contingency approach is very attractive, and it is promising to help the development of a better body of knowledge in the 80s Yet, if it is to be of any help to practitioners, this body of knowledge must be shaped in a way that differs from the format that was used in the past to develop and present the cumulative knowledge of management and administration This in my opinion is the task ahead of us

AN AGENDA FOR THE EIGHTIES

About thirty years ago Dwight Waldo pointed out that public administration is both an art and a science This, in the opinion of this writer, characterises much of the contingency approach to management The artist must follow the rules of harmony, or rely on the laws of prespective, use certain materials and select particular combinations of colours or voices to express his ideas By the same token the administrator has his own set of variables that he must consider in oder to do what he wants to do Formal education and training are not a substitute for the artist's sharp eye or ear But it can help to mobilise artistic talent and make it bloom Similarly,

[49]For an attempt to outline different contingency themes in different studies see Kast and Rogenzweig, *op cit*, p 305-ff.

in the field of management, formal training can enhance latent administrative talents. Yet most of the efforts in recent years were directed either at the development of an abstract organisation theory, too general to help the practitioner, or at the developing of inter-personal skills. The latter, important as they are, fail to provide the practitioner with the capacity to comprehend a situation as a whole—the event in its context—in order to derive a principle for action.[50]

The development of the contingency approach during the 70s is indicative of its promises for the 80s. However, this potential may be realised only if a fundamental change in the interactions among scientists and practitioners can be brought about. Such change should facilitate the development of a functional administrative theory that is expressed in operational terms. Practitioners should make their experiences and observations available to social scientists. The latter should use these and other sources of empirical data, instead of arm chair exercises in theoretical induction or deduction, to modify and elaborate on the existing theory.

Specifically, the contingency approach may be able to help administrators if it will be able to provide them with tools like :

1 a clear procedure for identification of the most relevant variables that influence a given situation;
2 a clear procedure for identifying or verifying the critical element that makes a given situation unique—different from other experiences: and
3 a body of professional literature, similar to the one that is available to lawyers or physicians, that allow the manager to find out what were the consequences of alternative solutions taken by others in similar situations.

Needless to say that while it is up to the academicians to develop these tools, their exact specifications must come from the practitioners By the same token, practitioners should be involved in the development of these tools to make sure they meet the needs of the administrators. The availability of such tools is not going to be a panacea for all the maladies of management everywhere However, the talented administrator may be able to do a better job, at least by not repeating the mistakes of others, if such aids will be at his disposal.

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[50]See Fred Luthans, (1976), *op cit.*, p 242 f.

Administration in Action in the Coming Decades

P.R. Dubhashi

AS WE stand on the threshhold of the 80s, we look back over the course of events of the last three decades of India's existence as an independent nation and try to think about the shape of things to come during the last two remaining decades of the 20th century.

The journey of the last three decades has not been easy. It has indeed been a constant struggle for us as a nation. The early hopes of a quick breakthrough in the field of economic development have not fully materialised. True, our economic 'takeoff' has not proved abortive but we cannot say that the takeoff stage has yielded to a smooth era of self-sustained growth The relentless population pressure still continues to absorb much of the addition to the gross national product with very little left for the increasing per capita income The number of people below the poverty line has not significantly declined While agricultural production and productivity has improved considerably so as to falsify the 'triage doctrine' or the worst prognostications of the prophets of woe like the Paddock brothers and while, thanks to this progress, India could face the worst drought in recent years with her own resources including the buffer stock of foodgrains, the green revolution has not been universal either in all parts of the country or in respect of all agricultural commodities There have been critical shortages of oilseeds and pulses which are extremely important in the Indian diet In the remote Assam, productivity has been virtually stagnant over the last three decades Only two states, namely, Punjab and Haryana, have been able to provide the bulk of the surplus foodgrains. Stabilisation of agricultural production and prices has yet to be attained. On the industrial front, in spite of a massive investment of more than Rs 15,000 crores in the public sector enterprises, the return from the investment has been far from adequate and the major sectors of the industrial infrastructure consisting of railway, coal, steel and power continue to be the Achilles' heel of the Indian economy As a result the inelasticity of our productive system, there have been periodic shortages in the supplies of essential commodities and a constant pressure of the inflationary forces in the economy An abundant economy with plenty of production and opportunities for full employment still appears to be a distant goal.

The task of the next two decades is to achieve this goal, to pursue the

path of 'green revolution' till it becomes universal as also the path of industrial expansion and diversification. In pursuing these tasks we have to deeply reflect on our past experience, evaluate our successes and failures and continue our tireless striving as a nation to attain increased production and productivity.

THE CONSTITUTIONAL FRAMEWORK

At the beginning of our journey as an independent nation, we had devised a certain political, social and economic framework in which administration has to function. That framework was provided in our Constitution. It has undergone certain changes. The framework has been modified or adapted but it has stood the test of time so far and is unlikely to undergo a radical change through any kind of revolutionary upheaval though nothing can be ruled out in the life of a nation or the destiny of a people That basic political framework envisages a system of parliamentary democracy in a federal polity. The alternatives such as the presidential system have been thought of but not adopted. Six general elections to India's parliament have taken place as also to the state assemblies While there have been several changes of the parties in power in the states, even at the central level, the nation has experienced a change of the party in power, though a regular 'swing of the pendulum', as in the original home of parliamentary democracy, namely, Britain, has not yet been established in our country.

Administration has to work in this political framework In such a framework, administration has necessarily to be neutral and it should be able to serve different political parties which come to power. Because of the persistence of a single party in power, this principle has not been adequately put to test There have been talks of commitment and loyalty, and bureaucracy has been under strain. However, there could be no difference of opinion that bureaucracy, while politically neutral, has to be dedicated to the goal of national development and be an efficient instrument of formulation of public policies and programmes and of their implementation. The concept of political cadres running administration does not as yet seem to be a possibility in our country. It is the 'permanent administration' which will have to deliver the goods to the satisfaction of the government in authority and, in the ultimate analysis, to the satisfaction of the people of India

Economic development has to manifest itself in the shape of an expanding gross national product, its just and equitable distribution, and gainful employment opportunities to the ever increasing numbers entering into the employment market of this country. Just as at the beginning of our journey we had worked out a political framework, we had also worked out an economic framework. Whilst the political framework was articulated in the Constitution, the economic framework was articulated in our five year

plans. We decided at the beginning of our journey that the economic development of the country cannot be left to the vicissitudes of the market forces but has to be done through a deliberately devised comprehensive national plan covering the whole gamut of economic activities in the primary, secondary and tertiary sectors Both the state governments and the union government would be partners in the national plans Indeed, they would be democratic and decentralised plans with increasing scope for grassroot level institutions like the panchayats, panchayat samitis and zila parishads While such vital sectors as agriculture, cooperation, rural development, small scale industry, primary and secondary education, electricity, public works, etc , were under the Constitution, in the state jurisdiction, the union government took upon itself the responsibility for laying down guidelines providing leadership and providing funds under a number of centrally sponsored schemes As a result of the pull of decentralisation, many of the centrally sponsored schemes have been transferred to the states but in the very nature of the case, the centre has not been able to abdicate its responsibility for total national effort in the vital fields of administration

PROSPECTS OF SOCIALISATION

Just as planning has been a matter of partnership between the central, state and local governments, it has also been a partnership of the private, public and the cooperative sectors This concept of the mixed economy was adopted as an alternative to socialism. Agriculture was almost wholly left to the private sector with the cooperatives providing a variety of services like credit, supply of inputs, and processing and marketing. In industry, the industrial policy resolution indicated the distribution of activity between the private sector, the public sector and the joint sector. The public sector was to occupy the commanding heights of the economy specially in fields like atomic energy, defence, civil aviation, shipping, railways, steel, coal, fertiliser, power generation, petroleum, energy development, etc. In the tertiary sector, banking and insurance were substantially nationalised and while private trade, both wholesale and retail, continues, giant corporations like the food corporation, the jute corporation, the cotton corporation and the cooperatives have been increasingly involved in procurement of agricultural commodities, extending support to agricultural prices recommended by the Agricultural Prices Commission, building up buffer stocks and operating a network of public distribution system

In spite of the attacks on the efficiency of the public sector or the cooperative sector, it would be difficult to envisage a diminishing role for them in the years to come Similarly, in spite of the profiteering by private trade and industry, it would be difficult to conceive of their wholesale socialisation Socialisation of agricultural land and their management through collective farms, as in USSR, appears to be almost an impossibility in India.

All in all, it is difficult to visualise a radical change in the economic framework of our country in the years to come. Hence, in the last two decades of the century, administration would continue to operate in the political and economic framework that has been built up over the last three decades.

PRESSURE ON ADMINISTRATION

On the other hand, it is obvious that administration would be exposed to increasing pressure, both political and economic. There has been a revolution of rising expectation in this country, both political and economic. As people become more and more conscious and organised, the political pressure on administration would go on increasing in the shape of parliamentary institutions demanding increasing measures of accountability and the local politicians and pressure groups exerting more and more pulls and pressures. Similarly, the economic pressures are also bound to increase with greater demand from various groups for financial assistance, loans and subsidies, favourable prices, employment opportunities, public distribution of essential articles, etc. What is most important is to ensure that the administrative system does not succumb to these political and economic pressures. Already the administration is showing signs of severe strain. While more is demanded of it, less is conceded to it. In a poor country, the administrative incomes have hardly been able to keep pace with inflation. Salaries at the higher level are virtually stagnant and constant exposure to criticism can be damaging to administrative morale and motivation. At the same time, the complex and demanding nature of the tasks requires ever increasing commitment and dedication, ever increasing efficiency and expertise. an ever increasing sensitivity and concern for the problems of the common man The problem before us is how to ensure that no gaps develop between what the people demand of administration and what administration can give

A nation can realise its purpose only through its instruments of action. Where the state has such a large role to play in national life, the role of the state's instruments of action, namely, that of the civil service, or the bureaucracy, becomes absolutely crucial. Here comes, therefore, the importance of sustained drive for administrative reform to improve administrative capabilities through more rational organisation, quicker procedure. better recruitment and sustained training and this has to be done with reference to the tasks ahead of us What is needed, therefore, is a perspective plan for the next two decades not only in terms of our goals and targets in various spheres of economic development, and plans, programmes and policies required to accomplish these goals and reach those targets but also in terms of an administrative system with such organisation, personnel and methods and procedure as would enable it to shape and implement those plans, policies and programmes and help the nation to reach the targets. □

Municipal Administration in the Coming Decades

Abhijit Datta

THE PAST legacy and the present status of municipal government in India has by now been well documented In addition, its future outlook and prospects also have been sketched out in at least two papers.[1] Let us first summarise the salient points arising out of the two papers concerning the future system of municipal government before venturing into the more mundane level of future municipal administration in action.

FRAMEWORK OF ADMINISTRATION

The Municipal Executive

Municipal Corporations : The exotic model of the executive system of the municipal corporations (where the executive *power* is shared among three co-ordinate authorities, *viz.*, the corporation, the standing committee(s) and the commissioner, while the executive *functions* are the prerogatives of the commissioner) "is currently under fire" and Bhattacharya predicts "that in the not-too-distant future the structure of corporation government in the major cities will undergo a change and there is every possibility of the replacement of the present triumvirate by a system of government which will have close resemblance with cabinet government at the State level".[2] This has indeed taken place recently in West Bengal with the passing of the Calcutta Municipal Corporation Bill, 1980 by the State legislature and is presently (August, 1980) awaiting the assent of the President. However, the triumvirate has continued with the corporation, the mayor-in-council and the mayor as the executive authorities; while the executive functions are to be discharged by the commissioner under the supervision and control of the mayor. The analogy of the cabinet system at the State-level has not been fully fructified, even though the principle of inducting the political executive within the municipal corporations has been realised in the Calcutta Bill

[1]Mohit Bhattacharya, "Urban Local Government" in *Perspectives* · Supplement to *The Indian Journal of Public Administration*, October-December, 1971 (Vol XVII, No 4), and Abhijit Datta, "Human Settlements and Local Government in India 2000", *Planning and Administration*, Autumn, 1976, Vol 3, No 2

[2]Mohit Bhattacharya, *op cit.*, p 118

Municipal Councils: Bhattacharya noted the trend of the State Governments to control municipal bodies through their control over key municipal officers under the integrated or the unified personnel system being introduced in a number of States[3]. Although this may have happened as an offshoot of the reforms in the municipal personnel system, the municipal executive officers are generally required to work under the supervision and control of the chairmen/presidents. Where the chief officers enjoy statutory autonomy in decision-making, it is expected that they would invariably be subjected to the control of the elected chairmen/presidents In Tamil Nadu, however, the municipal executive is modelled on the pattern of the municipal corporations and, if the Calcutta experiment gathers momentum elsewhere, even this variant would not be immune from change.

Municipal Area

The divergence of local government set-up in the urban and rural areas was expected to continue and "there is little possibility in the near future of the merger of the two separate forms of local government—municipal government and panchayati raj".[4] However, on a long-term basis, the following forecast was made· "As local governments largely become implementors of policy for human settlements, public participation would be related to local and area-wide interests. This might pave the way for reorganising the local government system".[5] Although no discernible movement in this direction is noticeable in the major metropolitan areas, especially in Calcutta and Bombay, there is a likelihood of a two-tier system of municipal government emerging in the near future as a result of municipalising the metropolitan development functions In 1973 such a plan was under active consideration by the West Bengal Government for Calcutta.[6]

Municipal Functions

The current trend of State Governments to create ad hoc bodies to undertake various municipal functions like city improvement, water supply and sanitation, apart from strengthening its field agencies to undertake physical planning, social services including education, and health, creates feeling of increasing centralisation of public services at the expense of municipal government. Bhattacharya expresses the trend thus· "Local government has its basis in the decentralization of functions, but in contemporary India the State Governments are in general reluctant to delegate new functions to the urban local bodies"

[3]Mohit Bhattacharya, *op cit.*
[4]*Ibid*
[5]Abhijit Datta, *op cit*, p 90.
[6]K.C Sivaramakrishnan, "Governing the Metropolis", *Nagarlok*, (Vol. VI, No. 1) January-March, 1974.

However, a closer look at the centralisation process reveals two underlying causes for this phenomenon. (*a*) the hope of retaining service charges and borrowing by the ad hoc authorities to finance the functions, and (*b*) the desire for uniformity in the coverage of social services. The performance of the ad hoc authorities on resource mobilisation has been dismal and since these are to be subsidised from the State exchequer, there is a possibility of a reversal of this trend in the urban areas, provided the local tax base could be tapped for more funds for financing these services. Therefore, the question of decentralisation of State functions is really tied up with the question of improvement of municipal finance Assuming such a prospect in future, through the integration of the local and the State fiscal systems and the setting up of a mechanism for vertical resource transfer to accommodate the plan and non-plan requirements of the municipal authorities, one might expect a reversal of the process of functional centralisation Assuming also that the municipal political lobby would be fairly powerful, given resource adequacy, to fight off competitive ad hoc authorities, one could also predict that "in future many of the local special authorities would wither away".[7]

Municipal Finance

The outlook on the future of municipal finance is somewhat cloudy Bhattacharya thought that excepting "some increase in State grants-in-aid, the basic structure of municipal revenue is not likely to change much in the coming decade, and there is little prospect of diversification of municipal revenue sources '[8] Bhattacharya did put in a caveat and thought that the metropolitan areas "will receive attention on a priority basis and plan funds will soon be earmarked for their integrated development.'[9] His prediction proved true in the decade spanning the 70s and assuming a continuation of this trend the situation is unlikely to be different in the next two decades. And if this be the case, then the entire outlook for the municipal system is bound to be gloomy, including municipal functions and State-municipal relations.[10]

However, an entirely different prediction might be made if one could argue that the objective situation seems favourable for a breakthrough on the municipal finance front One such indication is the recent appointment in West Bengal of a State-municipal finance commission to cover not only the familiar ground of municipal finances as such, but also simultaneously examine the States' finances for an optimum level of resource transfer to the municipal bodies to make these viable in relation to their needs[11] This

[7]Abhijit Datta, *op cit*, p 90
[8]Mohit Bhattacharya, *op cit*, p 123
[9]*Ibid*
[10]*Ibid*
[11]*See* West Bengal Government, L G. & U D Dept Resolution, dated 6 12 79.

was suggested earlier by the Rural-Urban Relationship Committee.[12] However, none of the States followed up this recommendation to examine the municipal plan and non-plan requirements vis-a-vis the State resources and attempted instead to reform municipal finance through delineating a static structure of municipal taxes and identifying a limited number of State taxes as eligible for sharing In this context, the experiment in West Bengal to apply the lessons of federal fiscal transfer to the State-local fiscal system takes a new direction and holds the promise of ending the stagnation of municipal finance

There is another reason for entertaining optimism regarding municipal finances The urban areas still contain hitherto untapped potentialities for experimenting with pricing of public services at the local level. The *quid pro quo* rule becomes operational if the localised loyalties of the citizens could be activised and the municipal governments are made to be effective in the delivery of public services Municipal finance thus becomes the kingpin of any change in the entire environment of municipal administration

ADMINISTRATIVE PROCESSES

Decision-Making

We have already hinted at the expected changes in the executive system of the municipal corporation and the municipalities. Apart from the formal responsibility of decision-making, its quality would depend on the adequacy of administrative support that the political executive has and here one might say that the municipalities of the 'Bengal variety', covering the whole of eastern India, are particularly weak Whether in future an unified or a well developed separate personnel system would be created is still not clear, but there is presently a consciousness that without adequate staff support municipal management would lose its meaning It is expected that with the improvement in municipal finances, the municipal staffing situation would also improve

Organisational Ethos

Municipal institutions have by and large copied the bureaucratic ethos of the State Government, which is not always suited to their peculiar needs and circumstances The only exceptions are: (*i*) Gujarat municipalities where some degree of business culture seems to be prevalent, and (*ii*) West Bengal municipalities with overt political overtones in decision-making With the improvement in the staffing situation in the second category of municipalities, the political overtones might be lessened, but with the increasing trend towards centralisation in municipal personnel system, the bureaucratic

[12] *Report of the Rural Urban Relationship Committee*, Government of India, Ministry of Health and Family Planning, Vol I, Delhi, 1966, pp 88, 107.

ethos might be strengthened Only in the municipal corporations with separate personnel system is there a possibility of the emergence of an alternative style of administration which is qualitatively different from an insulated bureaucracy.

The problem of industrial relations is also linked with the organisational ethos and in both the bureaurcratic and politicalised systems it is extremely difficult to deal with the inflated labour force of a municipal authority. Only a truly autonomous and business-like organisation can take hard decisions regarding productivity, lay-off and retrenchment, recruitment and promotion, incentives and punishment and so on Given the prevailing trend, it would be idle to expect that the municipal authorities would fare better than their counterparts in the State Government or the State-owned enterprises on the score of industrial relations

The question of pricing is also linked to the organisational ethos It seems that pricing of public undertakings is a highly political decision at all levels of government This being so, it would be unrealistic to expect that the municipal enterprises would fare any better and one might even expect some degree of privatisation of municipal enterprise activities as an antedote to the constraints of efficient management

Administrative Procedure

The administrative procedures would, of course, follow future changes in the structure of municipal government, as well as the dominant administrative ethos. As municipal government moves away from the committee system and adopts the cabinet system, at least in the major corporations, the concept of control of public expenditure would be internalised and institutionalisation of the conciliar and treasury control of expenditure would take place [13]

On the plane of delegation of administrative and financial powers too, there might be changes consequent on the trend to decentralise civic administration in the major cities. Already such decentralisation of various degrees operates in Bombay, Delhi, Madras, and Baroda Administrative delegation would, however, be dependent to a great extent with improvements in the quality of staffing at the middle and lower rungs of municipal management

Politician-Administrator Relations

Relationships between the elected and appointed wings of municipal government will, however, remain in a state of flux having conciliar management at the top, supported by a centralised municipal bureaucracy This would certainly affect the States where such conflicts have not erupted in a virulent form so far, as in Tamil Nadu If, however, the Calcutta experiment with the mayor-in-council succeeds, such tensions would disappear

[13]Abhijit Datta, "Reforms in Municipal Financial Administration", *Nagarlok*, Vol II, No 4, October-December, 1970

in the municipal corporations opting for the Calcutta pattern. In the municipalities having centralised cadres, experiments would have to be made to create a viable form of political executive—either of a strong-mayor system or a cabinet system—since without such a political cushion the elected councillors would continue to harass the appointed municipal bureaucracy on specific issues, without being responsible for the decisions.

The peculiar perversity of politician-administrator relations in Indian municipal government is the result of an attempt to artificially insulate administration from the political process of decision-making, which is unworkable in a polity where the democratic forces have been unleashed. Unless, therefore, there are major reforms through the introduction of a workable system of political executive, as in other levels of government, the conditions favouring mutual strife and discord between the elected and appointed wings of municipal government would not only persist, but might worsen, leading to a complete breakdown of the municipal decision-making process

STATE-MUNICIPAL RELATIONS

Political Climate

The political climate dominating State-municipal relations in the coming decades might create conditions in the larger 'Province-States' to delineate more precisely the realms of functions and taxation between the two levels of government In the smaller 'district States and Union Territories', however, the present jurisdictional confusion would persist, but since these States contain a relatively insignificant proportion of urban population and, hence, a minor proportion of municipal governments in the country, the overall trend would be dominated by the actions taken by the larger 'Province States', of which there are about a dozen out of a total of 22 States

The political balance abetween the Centre and States also might undergo some change if the federal fiscal transfers to the major municipal corporations are made with pass-through clauses, in order that the States may not divert earmarked Central assistance for urban development With rise in urban population in the major cities, the necessity for federal concern to improve the quality of life in the urban areas would certainly increase and attempts would be made, as in other developed federations, to ways of bypassing the rural-dominance of the State Governments.

A change in the effectiveness of municipal government would also stimulate citizen expectations and the present public apathy regarding the State of municipal administration would change when the municipal electorate experience an active and responsive local government at their doorstep. Such a mutually reinforcing relationship between the municipal government and its electorate would be jealous of its autonomy and fight off any arbitrary use of State powers.

Political stability is certainly desired at the State level to bring about major reforms of municipal government and at the local level it is crucial during the formative years of growth. But it may not be crucial for an on-going system of administration which has developed internal institutional strength and established a rapport with its client, *i. e.*, the citizens This may explain why the municipal institutions in Gujarat and Maharashtra have survived the political instability during the decade of the 70s

Administrative Relations

The major development of the last two decades in the State machinery for municipal supervision has been the creation of municipal directorates in the wake of centralisation of municipal personnel in a number of States Such centralisation has had the unfortunate consequences of weakening the role of the municipal chairmen/presidents in the municipalities and strengthening the role of the commissioner in the municipal corporations, thereby increasing the conflict between the elected and the appointed wings of municipal government As the realisation dawns that the appointed officers must assist and not usurp the position of the political executive, the reforms in municipal personnel would in future be thought of in conformity with democratic norms and traditions. Assuming such a trend in future, the role of the State directorates of municipal administration would cease to be preoccupied with the control of centralised municipal cadres and approximate an inspectorial variety, as in Tamil Nadu and West Bengal

With the transformation of the States' local government departments into urban development departments, the house-keeping role of the State Governments vis-a-vis municipal authorities has declined Quite often the urban development wing of the State department adopts an anti-municipal government stance, due to its direct resumption of urban development responsibilities In case this continues, it might be desirable to locate the States' house-keeping responsibilities for municipal government to its home department, analogous to the Central supervision of States in India and at the local level follows the US practice. Such a shift might also be necessary to ward off the motely relationships of the State functional departments with local government which run counter to the general philosophy of State-municipal relations. On a futuristic plane, one might guess that the present attempt to create a separate urban development department at the state level would fail since urban development touches almost every aspect of the State's functional responsibilities and the original idea of a house-keeping department for a multi-functional municipal government might prove to have an advantage to streamline the system of State-municipal relations.

Fiscal Relations

In case the federal fiscal transfer becomes a model for future State-

municipal fiscal relations, as indicated earlier, one would expect a system of block assistance, both for municipal plan and non-plan expenditure This would inevitably reduce the number of specific grants administered by several State functional departments. The element of municipal discretion, both in determining the size of the municipal budget as also in prioritisation of municipal expenditure, would increase in the process. Since State transfers would be related to some measure of municipal tax efforts, one would expect that fiscal planning would be an important element in future municipal management.

The question of centralisation of property valuation for municipal taxation has been debated in India for more than fifty years and recently in West Bengal such a central valuation board has been created [14] In duplicating this experiment in other States, the actual performance of the West Bengal board would be closely watched as the real problem of streamlining municipal property valuation lies not so much in centralisation *per se*, but in devising an efficient system which responds to the working of the movements in the property market. Presently, due to rent control restrictions the urban rental market is virtually frozen and unless the method of valuation is drastically overhauled, mere centralisation of the valuation process may not lead to substantial improvement in municipal property taxation

As indicated earlier, emulation of the West Bengal State-municipal finance commission by other States might lead to greater fiscal integration among the Central, State and municipal governments and in that process increase Central participation in municipal finances as well.

OVERALL OUTLOOK

Unlike administration in the Centre and States, the boundaries of municipal administration are somewhat vague and subjected to change, consequent on the political parameters at the State level Therefore, in hazarding guesses about municipal administration in action for the future, the framework within which administrative processes are conducted would tend to be of dominant significance We have attempted to examine the implications of recent changes in West Bengal in municipal government, particularly in relation to the municipal executive and State-municipal finances, and assumed optimistically that these trends would prove to be momentous in shaping the future pattern of municipal administration in the country. A pessimistic forecast, of course, would reiterate Bhattacharya's foreboding "in urban India, 'self-government' will in future have few troubadours to come to her rescue, and there may not be many to shed tears over a lost philosophy".[15]

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[14]*See* West Bengal Central Valuation Board Act, 1978

[15]Mohit Bhattacharya, *op cit*, p 132

Training in the Decades Ahead : Some Design Considerations

A.P. Saxena

OF LATE the importance and relevance of training is being noted with increasing interest. Its capability in improving the performance of public personnel is fairly well recognised and it even seems as if training is no longer struggling for identity. Yet questions are being raised if training, and those concerned with training, are adequately aware and concerned with the impending challenges in the decades ahead when public personnel will have to prepare and cope with an unknown pace of change in the environment all around. These changes may well be perceived as a threat or alternatively explored for personal enrichment and improved job performance In either case, there is a relationship between the individual's background, competence and his ability and effectiveness in assessing the implications of change It is suggested that in this regard training in the eighties and beyond will have a meaningful role to play.

It may be useful to briefly reflect on the contemporary environment of training. In the context of the existing role and responsibilities of public personnel, it can be assumed that training will be needed not only to fill in known performance gaps but also prepare individuals for a stream of non-precedent tasks that will clearly become necessary due to compulsions of development and heightened expectations of the people—the beneficiaries of development. These will be sharpened by the impact of technological changes, which will not only impinge on the nature of tasks to be performed but also on the orientation of the personnel and their capability to use inter-disciplinary techniques of analysis It will be an unusual view to assume that public personnel can store up sufficient inputs acquired during pre-entry training or during their on-the-job training and experience, to last them a life time of change. The facts seem to be otherwise. To meet the requirements of the tasks ahead personnel will need updated knowledge or preparedness for job rotation through training.

In an environment of rapid technological change individuals in government will move from one job to another several times during their career, and regardless of their previous education will require training and even retraining which will be needed continuously to update performance. Cumula-

tively all these factors will not permit reliance on hierarchical authority as synonymous with the requisite skills or knowledge needed for dynamic and responsive administration. At the same time, the sheer number of personnel needing training will increase manifold. They will reflect even greater diversity in terms of education, functional background and experience marked by differences in motivations and inducements for training[1]. The task of designing training in this background is thus complex and deserves careful analysis.

LINKAGES WITH GOVERNMENT

In the past two decades or so, the role and directions of training have emerged out of very close linkages with government. In many instances, training institutions have been built up and grown as regular government departments. The initial seeds of training were sown and nourished in a spirit of good faith The linkages with government thus extended a somewhat protectionist support to training. There was even an *overselling* of training and the important process of selection of trainees did not always take into consideration the training needs of the individual or the organisation In some cases the closeness of the relationship impeded the professional autonomy of the institutions leading to long-distance control without any accountability for institutional performance. Training institutions were not always eager to take a close, critical look at government systems lest the studies be equated as criticism

In the years ahead these linkages will have to be re-defined and strengthened on the basis of different relationships. The new role of training for development will be clearly pro-active and not re-active. Training will have to claim a central role and not continue as a peripheral activity. This will require greater professional thrust which can examine whether the range of tasks to be performed in the decades ahead are perceived with realism vis-a-vis the training system There will be particular need for greater sensitivity in training to the dominant issues in national development, be it reduction in inequalities, social and economic disparities or ensuring the fruits of development to the impoverished poor in the society.

The new linkages of training will be based on a re-appraisal—both of quantity and quality of training. The trend in the recent past towards more and more training has imposed substantial costs on the government in the form of resources needed for training—hardware as well as software. In a way, the costs of additional provision in training involves discarding alternative possibilities of other public and private expenditure. Thus, in the light of competing demands for limited government funds, some compromise

[1] A P Saxena, *Training and Development in Government*, New Delhi, The Indian Institute of Public Administration, 1974.

has to be reached on the provision for training. On balance, and keeping in view the new role of training in the years ahead, it seems the need is in favour of *qualitative* consolidation as against concern for *quantitative* expansion alone. Training in government has to grow but at the same time it has to change qualitatively rather than expand only in terms of human resources.

In this context the stress in designing training will be on experiential and practical forms of learning rather than either theoretical, academic or routine learning Training will thus have a much wider scope, training to do one's present job better, training to take an another existing job and training for jobs and functions not yet in existence. In the years ahead, the design of training will seek to centre training activity in the trainee—the learner—to allow him a greater degree of freedom than before, in deciding for himself what he wants to learn, and even the way he wants to learn and take his training. Even if the trainee has to accept certain pedagogic and socio-cultural obligations as to subject-matter and methods, these should provide greater choice than before Thus training will not merely aim at preparation for doing existing jobs better but will equip the personnel to change and grow with the pace of changes ahead This will be because the job placements which the individual has hitherto followed will undergo substantial changes, or because knowledge or techniques which were not in existence or available when the individual was originally trained have been introduced or because the original corpus of knowledge and skills has diminished over time The emphasis will be on change and learning for future tasks. It is this lack of future sensing as well as sense of imperatives of national development and its objectives which render much of today's training somewhat out of time, if not wholly without use, to the trainers and the trainees.

SOME TASKS

The implementation of the new directions in training will involve a package of tasks. These will include greater concern for determining training needs, curriculum development and choice of training methodologies. One could include other tasks as well but these appear crucial to the design envisaged for the years ahead.

Studies indicate that the exercise of identification of training needs as an essential pre-requisite is generally not conducted properly. The absence of adequate identification can well make or mar the success of any training, as the exercise alone can provide an objective framework for imparting training at various levels in an organisation At this stage, it is worth noting that training needs at the level of the individual and the organisation have

from outside or from inside, it responds through developing new functions or re-organising existing functions, and through a variety of possible ways. Many of the responses call for training. But the question remains who in particular, which people, need to be trained and how are they to be identified and chosen, and how are they to be prepared for training. The profile of needs can again be classified in terms of *felt* needs, *perceived* needs and even *induced* needs In certain cases, the *felt* needs may be far too dominating and thus suppress the induced needs, which to an outside analyst may be more appropriate than to the individual[2]. In either case, the needs will have to be validated because in the years ahead we have to design training to meet *variable* learning needs The techniques for identification of needs—rational or empirical—can be implemented in a participative or non-participative style as far as the individual is concerned. In terms of our present understanding and the impending challenges facing training, participative approaches are likely to be more acceptable

Curriculum development is the next important step in the design of training for the range of tasks mentioned earlier It is not a mechanistic approach as training should cease to be organised around specialisations and segmentation of knowledge in subjects and time-bound periods. Training cannot become a wholly organised and structured learning, confined to intentionally created situations It can provide organised conditions for learning, enabling individuals to acquire knowledge, skills and even relevant attitudes and to put into a general context the facts and experience absorbed in unorganised learning situations. By an appropriate stress on curriculum development, training can provide opportunities for alternating incidental and informal learning with more organised and intentional training opportunities.

It is necessary to establish training objectives before curriculum development. In order to be functional and dynamic, the objectives should describe: (*a*) what the learner will do to demonstrate that he has attained the object, (*b*) to stipulate conditions under which the learner will demonstrate that he has actually learnt, *e g.*, the behaviour, and (*c*) specify the standards of performance (acceptable level that will be expected) To meet these, the objective should, (*a*) use specific action words to define the objective, (*b*) identify the expected terminal behaviour as far as possible, (*c*) include sufficient details so that others can recognise the anticipated performance, and (*d*) prepare a statement of objectives to be accomplished[3]

Objectives are often unspecified, ill-defined, non-consensual and/or time

[2]A.P. Saxena, "Identification of Training Needs—A Group Approach", *The Indian Journal of Public Administration,* Vol XX, No 1, Jan -March, 1974, pp. 98-107.

[3]Robert F. Mager, *Preparing Instructional Objectives,* Palo Alto, California, Fearon Publishers, 1962 See also A.P. Saxena, "Administrative Improvement at Organisation Level—A System Design", *Economic and Political Weekly,* Vol. XIII, No. 8 (Review of Management), February 25, 1978.

varying The objectives should be attempted in measurable terms so that we have some knowledge that they have been achieved. If we determine needs in performance terms, we ought to be able to evaluate performance after pursuit of a curriculum as a means of measuring the achievement of objectives If, on the other hand, we cannot project an objective in measurable terms, the chances are that we may not accomplish it through a curriculum.

Four broad approaches can be adopted for curriculum development, linear approach, blocks of learning, spiral approach and modular approach.[4] These approaches to a great extent rely on learning as a cumulative process, and the curriculum is conceived to progress from the simple to the more difficult or complex areas of knowledge or skills. Also a curriculum methodology that alternates stimulation and reflection, involvement and distance, study and practice, including individual and group work, will provide learning rather than frequent changes of subject matter that have variety as their main aim A continuity of subject matter reinforces learning and assures better training results. Irrespective of the approach followed, rigidity in implementing a curriculum methodology has to be avoided There will be need for flexibility to ensure the basic purpose of maximising learning to fulfil validated training needs

Effective curriculum development extending beyond compilation of programme material will also indicate the choice of training methods The training methodology in any learning situation will be related to the curriculum even though the options may be governed by availability of time and facilities for meeting the objectives. The training methodology selected thus emerges as the key instrument for achieving the training objectives with the assistance of a properly developed curriculum. An inappropriate methodology can disrupt the learning outcome of even a well-developed curriculum Today, a range of methods are available, including a stream of audio-visual and even electronic aids. There is also emphasis, with psychological overtones, on behavioural approaches. It has even been suggested that pedagogical methods have to be supplemented or even substituted by methods relevant to adult learning described as 'andragogy'[5]

It will thus be seen that the emerging need is to change, through a proper methodology, the content of training in favour of training people to learn from their experiences and interests, rather than attempting learning through academic disciplines. It will be useful to clarify the differences of purpose, as between basic knowldege and skills acquired later in one's career, the acquisition of new skills and knowledge which are essentially incremental, the acquisition of new skills and knowledge which interact with and

[4]A P Saxena, *Methodologies of Curriculum Development*, Kuala Lumpur, United Nations Asian and Pacific Development Administration Centre, 1979 (Mimeo).

[5]Malcolm S Knowles, "Human Resources Development in O D", *Public Administration Review*, March-April, 1974

require some re-ordering or re-formulation of previously owned knowledge and the more radical new learning which may require more complete reorganisation of previous assumptions, attitudes and roles. This will imply training for new purposes or ends and is necessary as a consequence of new societal and organisational profiles in the future which may render earlier knowledge and its application obsolete or dysfunctional.

A training methodology thus cannot be considered in isolation because far too many factors influence the exercise of a choice. A training methodology is not universal but instead should be seen in a situational perspective. The range of tasks training is expected to perform in future will not always lend themselves to a standard package of hitherto known methods. There will be need for comprehensiveness as well as innovation in identifying which methodology would be most appropriate in specific situations. As a guideline for future training tasks, it will be useful to remember that, (*a*) there may not be a single methodology, but probably a range, which would deserve consideration to support the intervention role of training, and (*b*) that a training methodology justifies itself only to the extent to which it can stimulate and sustain learning. To do so, it must become an integral part of the future training processes.

LEARNING ISSUES

It has to be remembered in the context of determining training needs, curriculum development, and choice of a training methodology that learning involves choice. Systems, including those in government, which do not make choices will not learn We can only know that learning has taken place by inference from observed behaviour or, more specifically, from *changes* in observed behaviour If, over a reasonable time span, observable aspects of behaviour do not change, then either the individual has learned nothing, or that which has been learnt does not make any practical difference to the individual's life or work situation. However, the observation of changes in a person's behaviour does not by itself suggest the conclusion that learning has occurred. We conclude that learning has taken place when a person's behaviour reveals the ability to do things that could not be done previously, or to employ different methods in doing things that have been done before, or to do things that have been done before, with the same methods as before, but more efficiently.

Today there is an increasing emphasis on the learning process itself and models of learning are being evolved to find out why some individuals seem to learn at a faster rate than others and how we can support and sustain the process of learning. Human potential is in general unlimited, and to an extent an under-utilised resource of creativity. Individuals are capable of much more than they are normally called on to do, and they can learn much more than is normally considered possible. It is even stated that in a typical

work situation, workers are anxious to extend and explore the innovative capacity and keep pace if given a chance to do so.[6] At the same time, human learning like human growth seems to advance rapidly at some points, to level off at others, and to decline eventually in still other periods. The reasons and conditions for such periods will be the focal points of learning analysis and the designing of training for the future.

EVALUATION

In regard to evaluation—always a gray area in the emerging field of training—altogether new considerations will be necessary for the future tasks of training It is well realised that our understanding of what to evaluate, when to evaluate and how to evaluate is still not fully clear. It is, however, accepted that evaluation should be a built-in part of the training process and equal attention should be paid to 'prior' evaluation as compared to, say, 'product' evaluation. Evaluation approaches, both subjective and objective, as well as a mix, may be conducted in either a formal or an informal manner. As a continuing exercise, attempt should be made to evaluate the process and product of learning with reference to achievements in the cognitive, effective and other domains in order to evaluate achievement as a function of learning rather than as a basis for comparing performance.

In the years ahead, training will be evaluated in terms of altogether new criteria. These will include inculcating sensitivity to environment, making individuals and groups responsive to new work content and patterns and improving awareness about the beneficiaries of national development processes. Evaluation will also examine if training has succeeded, and if so, to what extent, in strengthening collaborative work relationships in lateral and vertical transactions in organisations Evaluation will seek to probe the validity of training by examining its ability in locating viable *intervention* points which will be amenable to improvement and resolution by training It should be reiterated here that by definition all problems are *not* equivalent to training problems and as such not responsive to training intervention. With an eye on the future, evaluation will need adaptive and innovative approaches rather than being overtly concerned with designing instruments—even unobtrusive instruments—and establishing time schedules for formal evaluation exercises Evaluation of training is needed to lift training above the level of an activity transpired by faith but there is also need to redesign an outline of its objective and purpose to include even examining the extent to which training has stimulated change and induced some fundamental changes in the trainees and the work systems including the organisations

[6]Robert M. Gagne, *The Conditions of Learning,* 2nd edn , New York, Holt, Rinehart and Winston, 1974

TRAINING OF TRAINERS

A problem impeding planning training for the future is the lack of trained trainers. In the current situation, the capabilities of a trainer are taken for granted or assumed to exist. A trainer is even visualised as a disposable commodity and anyone who is not so good in his job in the government is sent to the training institution. There is an underlying assumption of infinite transferability and trainers are expected to emerge from the general stream of government personnel. As it is, trained trainers are in short supply and the problem is compounded by the inability of the training system to retain and protect them from the placement policies of the public personnel system which, in practice, gives training a low priority.

In the coming years we have to see trainers in enlarged roles rather than the single outmoded teaching role. Trainers are not teachers and the trainer's role is not interchangeable with the teaching role. The trainer will be needed to serve the individual as well as the organisation He has to become a facilitator of learning for individuals as well as to be a facilitator of learning or a consultant to the organisation, to assist personnel to integrate the training function in their roles and thus help in making the workplace itself a learning environment characterised by participative learning In this approach, learning and training will thus become important elements of the work profile of all officials, especially at higher levels.

There will be need for participatory trainers who do not operate on the giver-recipient axis, are not dogmatic, ever ready with a bag of answers but instead serve as part of a learning group in search for answers. Such trainers can alone generate stimulating experience and provide insights without 'conditioning' the trainees In the environment of the future, trainers, acting as facilitators, will also have to absorb some of the shocks of change inherent in new learning

The trainer will need a broad perspective realising all the time that his job is changing, is multifaceted and a continuing challenge. It is often suggested that he has at least three distinct roles: as an administrator of training, as a learning specialist and as a contributor to organisation problem solving It seems that in the coming decades he will have to be an adapter, a visionary and an innovator, when alone he can assist in organisation problem solving In any case, minimally to justify his office in the face of the impending challenges, he has to hasten his own professionalisation If he is truly a professional, the chances are that he will carry with him the top levels in the system The trainer in the future has to operate on a plane of sustained credibility based on cooperation and communication apart from adherence to the key objectives of training.

CONCLUSION

In the decades ahead training will find it hard to survive merely on

axiomatic principles of being good, necessary or desirable. It has to justify itself by providing a discernible impetus for improved performance—be it by formal inputs of knowledge, skills or desirable attitudes. Training should become a synergic process in which the employee increases his ability to make an effective contribution to the organisation's goals thereby making an enduring impact on its output. Training will find it difficult to sustain only on the intangibilities and uncertainties of future gains, but instead will have to give evidence of a perspective for future and a promise of early, positive results.

In this background, training has to be considered as a dynamic, forward-looking activity, an action process by which capabilities of personnel can be improved to meet the future performance needs in terms of relevant knowledge, skills and attitudes within relatively short periods of time It is to be viewed as a continuous process, an act of providing a means for learning to take place. This is important to note because training does not begin and end, and the training cycle has built-in measures which can allow it to regulate itself. In the decades ahead, up to ten per cent of a working career of thirty years may need to be assigned to training, a suggestion discussed in a United Nations Handbook several years back [7] In the context of our present available resources, this may be a rather high target Even so, training will be needed to cover the massive numbers of public personnel posing a challenge to all professionals and trainers. In the meantime, efforts will have to be made continuously to evolve a training design incorporating clear directions, an operational plan and well defined priorities The plan should go beyond an expression of the goals, intentions and will of the policy-makers and include an appreciation of the present position of training, the size and scope of coverage of the target training population, as well as an indicative availability of resources for training over a specified time span This indeed is the task of designing training in the decades ahead and it may as well be the key to the entire process of development. ☐

[7] United Nations, *Handbook of Training in the Public Service,* New York, Department of Economic and Social Affairs, Public Administration Branch, 1966.

University Administration in India—Some Critical Issues

G. Ram Reddy

NO PUBLIC institution, except the political institutions, attracts as much attention as the universities in India. This is partly because of the importance of higher education in the society but mainly because all is not well with these institutions. One reads in the newspapers about the malfunctioning of the universities. "Our universities and institutions of higher education today are in great trouble", says Dr. Malcolm S. Adiseshiah.[1] Everyone would agree with this statement of Dr. Adiseshiah, for the Indian universities are in a crisis. One aspect of this crisis relates to the quality and relevance of education and the other to organising higher education. The crisis of quality and relevance arises mainly from the inability of the universities to meet the challenges of the times. The administration of higher education itself is posing a problem because of its outdated nature The seventies have witnessed turmoil in most of the universities in the country and it is likely to be accentuated in the eighties.

> The university has become one of the key institutions in Indian society. It is at the centre of social conflict and the topic of heated debate. It is expected to perform a variety of services to society despite the fact that many of society's demands are contradictory or simply impossible to fulfil.[2]

The society's expectations and demands are likely to be even greater in the decades ahead. The eighties, therefore, will witness all the problems of the seventies and add a few more to the existing ones. In this paper it is proposed to describe the nature of some of the problems of university

[1]Malcolm S. Adiseshiah, keynote address, *Higher Education and Development* (Golden Jubilee Seminar), 1975, Association of Indian Universities, New Delhi.

[2]Amrik Singh and Philip G. Altbach (eds), *The Higher Education in India*, Delhi, Vikas , 1974, p i; "Our colleges and universities are expected by the public to perform something close to a miracle in the next 10 to 15 years", says The President's Committee on Education Beyond High School in the United States, quoted in his *Governance of Colleges and Universities*, New York, McGraw-Hill Book Company, Inc , 1960, p. 1.

administration in the country which, if not tackled in time, will produce chaos in our universities.

MEASUREMENT OF SUCCESSFUL ADMINISTRATION

Before we proceed to consider the problems, three assumptions are made here First, it is assumed that the present policitcal system will continue in the country, the main characteristics of the system being a liberal democracy with a parliamentary form of government Parties with different ideologies will continue to function and the fact that we have a soft state will influence the functioning of universities. If there were a change in the political system it would have different consequences for education in the country Secondly, the economic system is characterised by mixed economy and it is likely that the system with a strong dose of planning will be there for quite some time to come Thirdly, while there has been a good deal of planning in other sectors, it has been singularly absent in the field of education It is the *laissez faire* thinking which still dominates the educational field in the country, there is a free-for-all atmosphere in this sector A strong private sector co-exists with the public sector in higher education all over the country There is no indication that this is likely to change in the near future All these factors will produce their own problems which will influence the administration of higher education in the country.

There is a general feeling that the universities in India are not managed well. As Dr. V.K R.V. Rao says :

> It is unfortunate that the problems relating to the governance of universities and colleges have not received adequate attention Educational administration is generally tradition based and tends to rely on rules, procedures and technics which have not changed over the years. The static organisation cannot meet the needs and challenges of a dynamic situation.[3]

Professor K R. Srinivasa Iyengar is extremely critical when he writes, "the university system in India—if ever it was a 'system' has now all but

[3]Inaugural Address, S C. Malik (ed.), *Management and Organisation of Indian Universities*, Institute of Advanced Study, Simla, 1971, p 5. The problem is not peculiar to India only Writing about the American universities, George W. Bonham says "When serious people are asked these days who is incharge of the universities, the answer is usually "No one". Or the question occasions a series of guffaws, which, though avoiding the issue, suggests the delicacy of the question, "who runs the show?", in Nathan Glazer (ed), *The Third Century*, New Delhi, Ambika Publications, 1977, p 158

broken down."[4] It only shows that the university administration is not successful in discharging its function satisfactorily. Therefore, let us first try to be clear about what we mean by successful administration of the universities. What are the criteria of measurement of a successful administration? It is doubtful whether the criteria can be laid down in precise terms. Different people have different yardsticks to measure the performance of the management of a university. One simple answer is that, if the administration is realising the goals of the organisation, it can be called a successful administration But there will again be this question : What are the goals of the universities in India? And what is the meaning of realisation? Are the educational institutions clear about their goals? It is well known that the basic functions of a university are teaching and research. These, as all the academics are well aware, cannot be measured quantitatively. Further, if a university is open throughout the year and there are no strikes and if the examinations of the year are conducted during that year without malpractices and results announced in time during the year, can one call these sufficient tests of successful administration? The staff members of a university are engaged in research and publish papers Both teaching and research are important but what is the quality of these two? Quantitative measurement, no doubt, is important but even more important is the quality of teaching and research in these institutions of higher education. In other words, what is the quality of students produced and the standard of research done in the university? It is the quality of educational institutions which contributes to the growth of society and they are known and remembered only for their quality. Quantitative contribution without quality adds to the problems of the society. A successful university administration, therefore, is one that not only manages the numbers but also pays equal attention to promoting quality of teaching and research. But if the university administration itself is unsystematic and unsound, which is the case with most of our universities, the primary objectives remain unfulfilled.

The universities do not function in a vacuum: their functioning, more than any other organisation in the society, is conditioned by environmental factors [5] Universities, being very sensitive institutions, reflect the conditions in

[4]K.R Srinivasa Iyengar, "Ends and Means in University Education", in S.C. Malik (ed.), *op. cit.*, p 217 " The concept of university autonomy is often misunderstood. It is not a 'legal concept', not even a 'constitutional concept'. It is an ethical concept and academic concept . in other words, university autonomy does not suggest that the universities are a state within a state and a law unto themselves", *Report of the Committee on Governance of Universities and Colleges*, Part I, University Grants Commission, New Delhi, 1971, pp. 9-10.

[5]"It is not unusual, then, that the Indian university should be the Indian before it is the university It is so everywhere Environment has its strong wilful way. The university as a part of a larger community reflects trends, schisms, attitudes of that community", writes R L Gaudino, *The Indian University*, Bombay, Popular Prakashan, 1965, p 1.

the society and the impact of external factors is immediately felt on the campuses. The most important ecological factors which are of immediate and direct relevance to the universities are political stability in the country and the States, attitudes of political parties and the government towards universities, policies of the government, democratisation of the political system and cultural values of the society All these factors condition the functioning of administration If there is no political stability in the country or in a State, it leads to the weakening of the university system The attitudes of the political parties and also of the government towards universities very much shape the working of the latter. Where political parties or groups encourage lawlessness and defiance, there is hardly anything that the management can do. Some of the social policies of the government have their own impact on the university system Democratisation of the political system has unleashed several new forces in the universities and wherever the university systems are conservative, they come to grief, for they do not appreciate the changing ethos in the universities Quite often the values taught in the universities are modern and rational Generally universities promote liberal values and these values come in conflict with the traditional values in society. The management of the university, therefore, has to contend with these conditioning factors which either limit or promote its performance

UNIVERSITY—A UNIQUE SYSTEM

The university system is unique in many respects Often it is not realised that it has different components in its system which cannot be easily compared with any other system, such as government departments, public corporations, district administration, industrial management, etc. While in certain respects it shares a few general characteristics of the other systems, it has quite a few properties of its own, and if one lost sight of these, it would be difficult to understand its very nature. The administration of any organisation has to contend with its staff and clients, the latter, in many cases, scattered all over. Therefore, the administrator deals with only individual clients; rarely does he deal with large concentrated groups What is important is that the clients of these institutions do not reside at one place Only industrial managements come closer to the university system. For, in industry, one finds a large number of workers who work and also sometimes reside at one place Concentration of large numbers at one place has its own effect on the management, mobilisation of people for any cause becomes easy. But an advantage that the management of an industry has is that it is dealing with its employées who are mature and have stakes in their jobs.

The university administration, on the other hand, has to deal with four categories· (*a*) general public, (*b*) students, (*c*) teachers, and (*d*) non-teaching staff. Since parents are concerned about the education of their children,

they tend to keep an eye on the functioning of the university. Parents make demands on the management of the universities which, sometimes, the latter cannot meet Secondly, the management has to deal with a large number of students. The main feature of the student community is that it has youth full of idealism; further, this community is concentrated for purposes of learning and residence at one place. Thirdly, there is a large number of teachers who work at one place and several of them also stay at a place. Being highly learned they are extremely sensitive to issues and the general concepts of hierarchy and discipline are to be viewed differently here.[6] Finally, most large universities have thousands of non-teaching staff who also work at centralised places. They imbibe some of the aspects of the academic culture which affects their style of administrative behaviour. A close observation of these characteristics would reveal that they are special only to the university system and they tend to put far more pressure on the management of these institutions than can be found in any other large organisation.

That autonomy is a necessary condition for the proper functioning of universities is well accepted in most societies[7]. While the degree of autonomy may vary, all universities in India are legally autonomous bodies. Legislative enactments which create the universities provide the legal framework of autonomy and the administration of the university is regarded as autonomous However, the concept of autonomy of the modern Indian university is different from what it was a few decades ago or from what it is in several western universities. It should be emphasised here that total autonomy of a university anywhere in the world is a myth.

> Complete autonomy is utopian, very unpromising as an ideal and in practice absurd. But it is realistic to insist that a university has, and must keep, freedoms which other public institutions do not have [8]

Even the private universities in the United States which are said to be fully

[6]Talking of the personality of the American Professor George Williams contends that this is "typically underlain with a deep sense of inferiority, fear and maladjustment, yet overlain by an almost frantic sense of superiority. This deep split in the personality is further complicated by a latent hostility to that which is non-bookish and non-intellectual, and a fluttery insecurity that creates morbid fear of any criticism that may endanger hard-won academic place", quoted in John J. Corson, *op. cit.*, p. 31.

[7]M.R Siddiqui who has rich experience of the university system in the sub-continent says that, "the concept of university autonomy is derived from the corporal nature of its constitution and structure. The university is a community and corporation of scholars junior as well as senior, *i e*, students as well as teachers", *Establishing a New University in a Developing Country; Policies and Procedures*, Islamabad, University Grants Commission, 1977, p. 69.

[8]R L Gaudino, *op. cit.*, p 103; See the *Report of the Committee on Governance of Universities and Colleges*, Part I, 1971, *op. cit.*

autonomous are today compromising their autonomy because of financial compulsions.

The State universities all over the world are dependant on the government for their finances. Therefore, it is not unusual for the governments to lay down certain restrictions on the financial autonomy of the universities.[9] The Indian universities lost part of their financial autonomy because of their irresponsible use of this freedom. It is alleged that, at a time when they enjoyed a good deal of financial autonomy, several of them were not careful with their money and were lavish in spending; they created senior positions in order to satisfy certain sections in the university and made the government pay the bill. This led the governments to curtail their financial freedom. However, in some States, governments in their anxiety to control the expenditure in universities have gone to the other extreme of imposing a ban on the creation of any new posts or incurring of any major expenditure, which is not there in the budget, without their concurrence. Thus, one finds that, so long as universities are totally dependant on the government for finances, it is futile to think of financial autonomy in the management of these institutions. But if one looks at the picture in the country as a whole it would be evident that even the State Governments which are the creatures of the Constitution and whose powers are guaranteed by it are also not fully autonomous. They are helplessly dependent on the Central Government. While there should be control over the expenditure in universities, too much of rigidity hampers their smooth functioning. Once the block grant is fixed, the university should be free to make internal adjustments. This much of flexibility is necessary.

Barring a few exceptions, it is generally found that universities still have sufficient freedom in academic and administrative fields The universities are free to prescribe their courses, arrange their teaching, conduct research and recruit teaching and non-teaching staff In most universities there is hardly any interference in the performance of these functions. There are, however, some universities in the country where these are interfered with by State Governments and universities have been reduced to the position of directorates of governments This is certainly not a healthy feature, for it will adversely affect the growth of institutions of higher education Autonomy is not a luxury but a functional necessity for them However, keeping the demands of society it is not difficult to work out the extent of university autonomy and governments' right to formulate broad policies for them The managements of the universities, therefore, should primarily bear in mind the extent of and the limits to their autonomy, in law as well as in reality. They should view autonomy in the societal context.

[9]See J.L. Azad, "A Critical Study of Financing of Higher Education in India", and G D. Parikh, "University Finance· Problems and Procedures", in Amrik Singh and Philip G. Altbach (eds.), *op. cit.*

of a selection committee.[11] Both have their merits and demerits and space does not permit us here to go into the details. What is needed is a conscious search for a suitable person who is not only a good academic but also an able captain of the team and who can command the confidence of the government and the constituents of the university system. It should not be difficult to devise a system which will take care of these characteristics.

COLLECTIVE MANAGEMENT

As has been mentioned earlier policies are formulated by academic bodies and their implementation is done by different functionaries in the university—the vice-chancellor, the registrar and his office, principals, deans and heads of departments.[12] In many respects it is a collective management, while each functionary is in charge of specific units of the organisation. The principal is concerned with the management of the college, the dean is mainly the in-charge of academic matters in the faculty, and the head of the department is both the academic and administrative head of his department. The jurisdiction of each one of these functionaries is clearly defined. The function of the registrar and his office is to process the proposals that come from departments, faculties and colleges and to pool and provide necessary data which will assist the vice-chancellor in decision-making. It is not realised that these are very important offces, for much of the administrative burden in the universities is carried on by them. At the moment very few universities pay adequate attention to the selection of these functionaries. The prevalent practice is to select them on the basis of seniority. While seniority ensures objectivity, it does not guarantee administrative competence. Since registrars, deans, principals and heads of departments discharge difficult administrative functions in large and complex organisations, it is necessary to select persons who are fairly senior and known not only for their scholarship but also for their administrative abilities—in short, they have to be competent team leaders (there are cases of good scholars who are woefully deficient in human management). There is no easy way to do this; a proper system has to be evolved to do conscious planning in this direction. For too long we have relied on the rule of thumb method which is certainly not a sign of scientific administration.

Like most public institutions, Indian universities suffer from a high

[11]*Committee on Higher Education*, pp. 61-62; Also see *Report of the Committee on Administrative Structures of the Universities*, 1979 (Government of Andhra Pradesh, Education Department), mimeographed, pp. 22-26.

[12]*Report of the Committee on Governance of Universities and Colleges*, Part I, *op. cit.*, pp. 64-66. Also see R. Rajaraman, "Faculty and Departmental Organisation : Structural Changes", in S.C. Malik, *op. cit.*, pp. 109-111; and R.L. Gaudino, *op. cit*, pp. 183-196; *Report of the Committee on Administrative Structures of the Universities*, 1979, *op cit*, pp 29-30 and pp. 62-63.

degree of centralisation. There are several levels and units in the organisation, which should be able to take care of most of the work and take the appropriate decisions. Centralisation is the result of concentration of power of implementation mostly in the hands of the vice-chancellor—particularly in financial and administrative matters. The tragedy of most of the institutions is that the various levels in the system—deans, principals and heads of departments—have not been delegated authority commensurate with their responsibilities. A style of functioning of the university which was meant for it when it was too small continues even today when it has to deal with thousands of students and teachers instead of a few hundreds. It is a typical joint family model of administration where the patriarch decides everything. Lack of decentralisation is the single major factor which adversely affects the management of the universities in the country today. Colleges are a good example of this Each college has a large number of students and teachers. Some of the big colleges are much bigger than some of the smaller universities; they are now much larger than the university itself thirty years ago. But the management of the college is made to depend on the university for every small decision. In other words, there is a strong case for reversing the centralisation trend and for strengthening the different units of the university organisation. They should be enabled to operate as semi-autonomous units within the system. The policy frame of the UGC has this to say:

> It is, therefore, absolutely essential to decentralise authority and confer autonomy from the university administration to the university department and from the universities to the colleges The existing bureaucratic and centralised structures of universities have to be radically altered to avoid delays, to evade attempt at rigid uniformity, to create an elastic and dynamic system and to promote innovative initiatives and reforms[13].

Unless this is done there will be no sense of participation and responsibility at these levels in the management of universities.

AUTONOMY FOR COLLEGES

An offshoot of centralisation is uniformity in all aspects of academic matters within the university system. Most universities in the country are teaching and affiliating and several of them have dozens, sometimes hundreds of colleges which are under the iron heels of the university; they have to follow the same syllabus, same methods of instructions and the same examination system. Affiliation signifies, writes R.L. Gaudino, a relation

[13]University Grants Commission, *Development of Higher Education in India—A Policy Frame*, 1978, p. 11.

between several of numerous colleges and the university, a contact of prescribed inequality, a definite dependency, a surveillance of irregular minors by a competent guardian, the incomplete off-spring disciplined by the discerning parent[14]. Colleges do not make their own reckonings, do not judge their students, do not give their own examinations. In short, they do not award their own degrees. The degree is granted by the university, the sober, disinterested, qualified expert.[15] It is aimed at having total uniformity in all the colleges. Examination has to be conducted in all the colleges on the same day, at the same time. If there is a breakdown in one college, which is not unusual, it affects the total system A university has about 100 colleges (Calcutta has 6 university colleges and 211 affiliated colleges, and Madras has 150 colleges); one finds that the colleges do not have a uniform development and growth—some are very well developed, others are not. But all of them have to follow the uniform laws prescribed by a distant university.

> The present spectacle of numberless colleges taking easy refuge under the tattered university umbrella is scarcely edifying and redounds to the credit of neither the parent university nor to crowded colleges,[16]

writes Professor K.R. Srinivasa Iyengar. Though, since the days of the Education Commission, there has been talk of giving autonomy to colleges, very few universities have moved in this direction. Even the talk of autonomy to the colleges is very inhibitive, for only a very few colleges are selected for the purpose. One fails to understand whether such uniformity achieves the purpose, particularly when colleges are located at very distant places and are in different stages of development[17]. The Indian academic mind is conditioned by the system of affiliation and it aims at uniformity in all the institutions of a university The logical implication of this is that while a university which has 100 or 200 colleges located at far off places exercises minimum of supervision throughout the year, it is supposed to conduct their examination and issue certificates to them "Controls by the university are loose, careless, casual The university inspections are periodic or perfunctory" [18] The system is highly impersonal which is justified only in the name of uniformity of standards and objectivity. The concept of

[14]R L. Gaudino, *op, cit*, p 79. See Ministry of Education, *Report of the Education Commission*, 1964-66, Volume III, Higher Education, New Delhi, National Council of Educational Research and Training, 1970, pp 618-623

[15]R L. Gaudino, *op cit*, p. 79.

[16]K R Srinivasa Iyengar, *op cit*, p 214.

[17]Balwant Singh, "Relations with and Management of Colleges", in S C Malik (ed.), *op cit*, pp. 188-197; *Report of the Education Commission*, 1964-66, Volume III, pp. 618-623.

[18]R.L. Gaudino, *op cit*, p 88.

affiliation and its implications, therefore, need to be looked at critically.[19]

In the absence of clarity about the purpose of higher education in the country, the task of university administration becomes very difficult Even after thirty years of independence this clarity is still lacking. In spite of education commissions and committees, there still exists a lot of confusion about the purpose of education. As a result, universities have become waiting rooms for the society—people would like to be on the rolls of these institutions so long as they do not get employment Further, there is hardly any manpower planning: nor is there any relationship between the demands of the society and what the universities produce. This mismatch of demand and supply is a serious problem which universities alone cannot tackle. As the report of the International Commission on the Development of Education points out:

> Whereas, in the past, societies evolved slowly (except for number of mutations) and absorbed the products of education easily and willingly, or at least managed to adapt to them, the same is not always true today.[20]

The Commission is emphatic when it says that "for the first time in history some societies are beginning to reject many of the products of institutionalised education."[21] This is the consequence of unbalanced growth—stop and go development which creates equilibrium in one sphere by upsetting it in another.[22] It is a common phenomenon in India today to find hundreds and thousands of graduates being without employment, whereas for the kinds of skills that the society needs, people are not available The demographic pressure being what it is, this will further accentuate the irrelevance of present day liberal education It is true that in a democratic society like ours there cannot be a perfect manpower planning but some plan of education is better than none

[19]Balwant Singh writes, "As all colleges are not alike, a university should not accord the same treatment to the different type of colleges For instance, where there is every justification both for rigid enforcement of its prescribed norms over the sub-standard institutions as well as for a periodical appraisal, there is hardly any justification for its being fastidious in the case of colleges which are jealous guardians of their own autonomy and resent in any outside encroachment, they should also adopt a similar attitude towards a few of their sister institutions which have established the claim for recognition and for preferential treatment", "Management and Colleges", in S C Malik, *op. cit*, p 196.

[20]UNESCO, (Paris, *Learning To Be—The World of Education; Today and Tomorrow*, 1972, Delhi, Sterling, 1973, p. 13.

[21]*Ibid*, p 14; "Government of India is confronted with a situation in which the numbers of young people finishing degrees and seeking employment far exceeding the potential of the economy to provide them with jobs It is likely that this situation will persist for a long time and may well become a permanent feature of Indian society", writes Warren F. Ilchman, "People in Plenty · Educated Unemployment in India", in Amrik Singh, Philip G. Altbach (eds), *op cit*, p 132

[22]*Learning To Be—The World of Education, Today and Tomorrow, op cit*, p 14

Rapid expansion in higher education since 1947 is another phenomenon to be noted by the administrators of universities. There were 20 universities at the time of independence: today there are 115 of them.[23]

> These are impressively high rates of growth, and over-fulfilment of targets is a familiar story in educational expansion. If one wants to be comforted about the growth in India and seeks consolidation in cold statistics, one can scarcely do better than go through our official educational data.[24]

Enormous expansion has taken place within each university also. Where there were four or five hundred students, today there are 40 or 50 thousand of them in a medium sized university. Universities like Calcutta have nearly 200 thousand students. It is no consolation that they are not at one place but are in different affiliated colleges. Lucknow and Baroda have nearly 19 to 20 thousand students enrolled in their departments. Thus, most institutions have grown in size beyond manageable limits. The students of management know the implications of the size of an organisation to its system. No university in the country has any idea of its optimum size and everyone of them has been growing in size without any thought being given to its consequences.[25] Human beings have the painful awareness of the consequences of putting on too much of weight which is dysfunctional to the body. It is time that educational planners have some idea about the size of a university. Further, in the light of the explosion of numbers, what should be the nature of organisation of a college or a faculty merits serious attention; the form of organisation should change to cope up with the demands and pressures. The questions to be tackled are: How large should a university be in terms of the number of students, staff and institutions in it? If it is large, how should it be reorganised?[26] There is no use in imitating foreign universities, for the simple reason cultures and traditions are different.

THE UNIVERSITY CULTURE

Just as every society evolves its own culture, large organisations also have their own cultures which are produced by the nature of work of their inhabitants. Thus universities have their own culture, the main characteristics of which are: tolerance of dissent, idealism, lack of hierarchical rigidities, etc. If managements of the universities blindly follow the principles of

[23]University Grants Commission, *Report For the Year, 1977-78*, New Delhi, p. 143.
[24]Amartya Sen, "The Crisis in Indian Education", in S C Malik (ed.), *op. cit.*, p. 248
[25]"... what is the optimal size of an institution?" asks the *Robbins Committee Report on Higher Education, op cit.*, p. 153.
[26]*Report of the Committee on Governance of Universities and Colleges*, Part I, *op. cit.*, p. 9.

general administration, they will be inviting serious trouble for themselves. For instance, note the following incident in an American university where an able military organiser had taken over as the president. He appeared to have expressed surprise that 'the employees' did not fall in with an order that seemed appropriate. He was then reminded by a nobel prize winner that "Sir, you may not be aware of it, but we are the university".[27] Academic culture is something which is to be lived with and felt; it takes a long time for an outsider to understand and appreciate the culture of universities. If they do not make distinction between the general administrative culture of government departments and the academic culture of universities, they would fail to understand the university system itself. Quite often outsiders are shocked to find several deviations from the norms of general administration in the universities; one may even define it as a 'loose system', but that is what an academic system is and ought to be, provided its looseness does not become detrimental to the realisation of the objectives of the system.

The expectations of the society are very high from universities, for, they are temples of learning and scholarship. But when these institutions are faced with crises, there is a sense of disappointment. Universities are not islands of total autonomy and they cannot function in complete isolation—after all, they are a part of a larger system; what happens to the system as a whole has its effects on the sub-systems The performance of university administration is, therefore, very much influenced by the conditions in the society. While there is scope for improving the administrative efficiency in the organisation, the total functioning of the organisation is very much situation-specific. It has also to be borne in mind that the management of academic institutions is quite different from the management of other institutions; it is more vulnerable and challenging than others. Answers to problems facing the administration of Indian universities cannot be found either in the study of other public institutions or in the observance of the managements of foreign universities. One might learn a few things from other institutions and countries, but careful studies of our own educational institutions alone can help us in understanding these institutions [28]

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[27]Quoted in J. Barzun, *The American University—How it Runs; Where it is Going*, New York, Hanfer & Row, 1968, p. 105.

[28]"One of the most urgent needs in Indian higher education is for research and for comprehensive planning based on adequate facts and documentation . Indian academics, somewhat like their counterparts elsewhere, have not been anxious to expose their own universities to careful scrutiny, preferring to observe primitive tribes or the industrial working class", write Amrik Singh and Philip G. Altbach (ed), *op cit.*, p xii.

Three Decades of Industrial Administration

Ram K. Vepa

IN THE three decades since independence, India has established an industrial network which is one of the most well advanced in the developing countries. In many sectors, Indian technology and expertise are now being widely recognised as equal to that of many developed countries and certainly one of the best amongst the developing countries.

The eighties will present new and challenging problems to the further growth of industrial economy in the country. These problems will need to be met by a judicious combination of industrial policies which while regulating the growth do not obstruct it and serve the broader objectives of the country. These objectives themselves may have to be reoriented to suit the compulsions of the coming decade.

PRE-INDEPENDENCE PLANS

It was not till independence that industrial administration, as we know it today, was initiated. Prior to independence, there was an attempt at national planning under the aegis of the National Planning Committee presided over by Jawaharlal Nehru which, however, was purely a non-official body with no authority vested in it In 1945, the then Government of India set up a planning and development department which began to look at the problems that were likely to be posed after the termination of World War II. During that war, as the need to supply arms on a massive scale in the South-East Asian theatre of war arose, Indian industry, both civilian and defence, began to grow rapidly. It was then realised that this growth would have to be regulated if it was to make a meaningful impact.

In 1944, some of India's top industrialists formulated, what was then known as, the 'Bombay' Plan. The Plan envisaged massive investments for providing better infrastructure to the growth of the industry. It envisaged also a rapid growth in heavy industry, particularly in important sectors such as steel, cement, fertilisers, etc However, the Bombay Plan, although widely recognised as the first significant attempt on the part of the captains of Indian industry to look into the future, did not receive any official backing.

EARLY YEARS OF INDEPENDENCE

It was only in 1948 (a year after independence) that the first Industrial Policy Resolution was enunciated, which outlined the policy of the new government. This policy spelt out the government thinking in respect of the growth of heavy industry and also indicated the important role of the public sector. There was also a reference to the importance of small-scale and cottage industry as providing greater opportunities for economic growth in the villages.

In 1951, the first attempt to regulate industry was done through the enactment of the Industrial (Development and Regulation) Act. The Act listed a number of important industries which it was considered necessary in the public interest for the central government to regulate. This was attempted through a system of licensing which was meant to conserve the scarce foreign exchange resources of the country both on a short as well as long term basis. The Industrial (Development and Regulation) Act which is still in force, has been the main framework through which the growth of large industry has been regulated in the last thirty years.

In 1956, the Industrial Policy Resolution was enunciated which reiterated largely the principles laid down in the earlier statement of 1948 However, a more precise categorisation of the industries which are reserved for the public and private sectors, and those which are to be jointly developed was attempted. There was also a categorical reference to the need for developing a comprehensive support programme for the small and cottage industries which were increasingly recognised as the main channels of growth in the rural areas and also for providing large-scale employment at comparatively small investments.

INDUSTRIAL GROWTH IN THE FIFTIES

Meanwhile in pursuance of the recommendations made by an international planning team, the Government of India began to set up an institutional framework for the growth of the small industry. Three important institutions were established in the mid- and late-fifties · the Central Small Industries Organisation (which later was designated as Small Industries Development Organisation) for providing technical support and guidance to prospective entrepreneurs in the small-scale sector as also to advise government on matters of policy relating to that sector; the National Small Industries Corporation which was intended to help the marketing efforts of the small-scale sector and also to supply machinery (primarily imported) on a hire-purchase basis and also to help the small units to participate in the government purchase programme; and the Small Industries Extension Training Institute at Hyderabad for training personnel connected with the development of small industry. Also at the same time were set up on a

statutory basis the Khadi & Village Industries Commission at Bombay which owed its inspiration to two organisations that had been started by Gandhiji, *viz.*, the All India Village Industries Association and the All India Spinners Association.

The fifties laid the foundation for a new industrial framework throughout the country. Public sector enterprises in strategic areas such as machine tools, electrical generators, electronics, heavy engineering and fertilisers, were also set up which were to yield considerable dividends in increasing the technological capabilities in the industrial sector in the coming decade. There was also a plan for a significant increase in steel production; three steel plants each of 1 million tonne capacity were proposed at Rourkela, Bhilai and Durgapur, each aided by one of the advanced countries.

The full impact of the new industrial framework began to be evident by the end of the decade when India's industrial production began to grow rapidly. It was during this period when the foreign exchange position was still comfortable that many large-scale projects could be initiated which involved massive capital investments. The manpower skills required for these projects were also being developed simultaneously through the establishment of high grade technology institutes at Kharagpur, Bombay, Madras and Kanpur as well as through the opening of a chain of national laboratories in a wide variety of scientific disciplines. In the field of nuclear energy, the Atomic Energy Commission had begun to operate a research centre at Trombay as well as the Tata Institute of Fundamental Research at Bombay both of which were soon recognised as centres of excellence in the developing world.

PROBLEMS OF THE SIXTIES

The euphoria of the fifties, however, did not last long. In the early sixties, even as industrial production was still showing signs of rapid growth, the country ran into a number of problems, the most important of which was the difficult balance of payments position. With the heavy capital investments that were being made in long gestation projects, there was inevitably a strain on the foreign exchange reserves which had accumulated during the war. In addition, although in many parts of the country, increased productivities were registered in the agricultural sector, the seasonal conditions were not favourable for a rapid growth of agricultural production particularly in the successive years of 1965-1966. Power and irrigation projects which were in the growing stage had not yet begun to yield tangible benefits with the result that there was a mismatch between the immediate requirements of the industry and the infrastructure that was being set up to meet the demand.

This resulted by the mid-sixties in an extremeley difficult position which led to the devaluation of the Indian rupee in 1966. It was expected at that

time that such devaluation would benefit Indian exports significantly and would therefore release the strain on the foreign exchange position of the country. It was also meant to curb the strain on imports of unnecessary goods by making them prohibitively expensive within the country. The devaluation, however, did not entirely fulfil either of these objectives; instead it tended to weaken the economy as a whole, making investments much more expensive than what they might have been without a corresponding benefit in the export position.

The result of it was that the Indian economy began to show signs of developing as a high-cost one, while, with the plentiful supply of cheap skilled labour, it would have been reasonable to expect to produce goods at a comparatively low cost. However, with rapid escalation of capital investments, the cost of production began to rise. There was also a tendency at this time to seek collaborations with various countries in the western world for even simple items which also tended to increase the cost of production. Although the Indian heavy industry sector was beginning to produce goods of increasing diversity and complexity, there was still a reluctance on the part of most Indian industrialists to purchase these goods since it was felt that those made abroad were of a superior quality.

In the small-scale sector, however, there was a perceptible improvement both in the number of units as well as in the diversity of products they were to produce. The Small Industries Service Institutes were opened one in each State and their assistance to new entrepreneurs resulted in a rapid growth of the small units particularly in the metropolitan areas. The industrial estate programme which began in 1957 grew rapidly in the early sixties and some of the estates as at Okhla (near Delhi), Guindy (near Madras), Sanatnagar (near Hyderabad) and Thana (near Bombay) became vast complexes where goods in large quantities were being produced by small-scale units.

A significant programme which was undertaken at this time to expand the growth of rural industries is the rural industries projects under which parts of a district were identified for special assistance for the establishment of rural industries. The assistance included subsidies for the interest, grant of small loans at concessional rate, training programme as well as demonstration units and common facility centres where the rural artisan could use modern machinery which they could not afford themselves. The rural industries projects programme began to play a modest but significant role in the growth and spread of industries to the semi-urban and rural areas in the districts in which it was being implemented.

REGIONAL IMBALANCES

The latter years of the sixties, however, began to show disturbing signs of growing regional imbalances in the country It was noted that while some

of the States such as Gujarat, Maharashtra, Tamil Nadu, Punjab, were moving fast to an industrial society with greater mechanisation of agriculture, other States such as U.P., Bihar, Orissa, Madhya Pradesh and Rajasthan remained more or less at the same stagnant level. In between were States such as Karnataka, Kerala, Andhra Pradesh, West Bengal where the progress was somewhat mediocre. These regional imbalances caused social and political tensions which sometimes led to violent disturbances as in the case of location of a steel plant in Andhra or the establishment of a second oil refinery in Assam. There was increased awareness of the need to reduce these regional imbalances and it was recognised that unless growth was tempered with a certain amount of balanced dispersal, it was bound to lead, in the long run, to creation of social and political tensions in the country.

The National Development Council at its meeting in 1969 decided to undertake a 'capital subsidy' scheme of 10 per cent of the total capital cost, which was later enhanced to 15 per cent. In each of the backward States, two districts were to be designated for such support while in the other States one district was to be taken for implementation of the scheme. Subsequently, the number of districts in the backward States was increased to six while that in the forward States it was increased to three. In addition, special transport subsidy for remote areas such as the hill regions as well as the north-east were decided to be provided up to 50 per cent of the transportation cost of raw materials and the finished products. The financing institutions also identified a number of districts where credit would be made available at concessional rate of interest. Many State Governments declared a 'package of incentives' in the backward districts of the State where a capital subsidy of 10 per cent was to be given besides interest-free loans.

Thus the sixties ended on a note of caution; while many parts of the country were registering significant growth rates, there were others where the momentum of growth was yet to be initiated. A specific policy for the development of backward areas was also formulated which it was expected would result in such States catching up with the more advanced States. It wat felt that in this manner a more balanced industrial development throughout the country could be achieved which would result in a greater diffusion of prosperity in the countryside.

NEW PROBLEMS

As the seventies opened, new problems were identified as demanding high priority. One was the problem of concentration of economic power in the hands of a few large houses. The report of the Industrial Licensing Policy Inquiry Committee (ILPIC) as well as the investigation of Dr. Hazari revealed that a few large houses had begun to corner licences which were not always fully utilised It was feared that this would lead to a greater concen-

tration of power in the hands of a few companies which were interlocked and would account for a significant proportion of the industrial production in the country.

The second problem that became evident in the early seventies was the need to create employment opportunities at a much faster rate With the rapid growth of population in the country, it was found that the creation of jobs, both in the agricultural and non-agricultural sectors did not keep pace with the increase in the labour force in the country It was noted that at the end of each five year plan, the number of unemployed were significantly higher than at the beginning of it. Thus at the beginning of the First Plan period, it was 5 million, at its end 7 million, at the end of the Second, 9 million while in the middle of the sixties it was estimated at around 13 million. Even more disturbing was the fact that a large number of educated persons were remaining unemployed because of the fact that the pattern of education they had received did not meet the requirements of the industry.

The twin problems of economic monopoly and unemployment were proposed to be solved by the enactment of the Monopoly and Restrictive Trade Practices Act which envisaged the establishment of an independent authority —the Monopoly Commission—which would consider all applications of licences by one of the large houses who were designated as those with a total investment of more than Rs. 20 crores Monopoly was also defined as having a significant market share for a group of products The Monopoly Commission was a quasi-judicial body which would ensure that the economic power did not come to be concentrated in the hands of the few top companies. This, however, had its repercussions on a slowing down of the licensing procedure which, in turn, led to a reduction in the growth rates registered in the sixties.

The procedures laid down for licensing itself tended to be long drawn out and the need for a quicker disposal of the licensing applications became more evident. Although various committees were appointed to ensure that the licensing procedure became quicker, it was realised that the system itself had begun to slow down because of a wide variety of mutually conflicting objectives Growth was no longer seen as the only, or even the main, goal to be achieved. It had to be tempered with distributive justice so that (both regionwise as well as sectionwise), all parts of the country could receive the benefits of such growth. Further, increased employment was beginning to emerge as a fundamental goal of planning, and this in turn meant that the growth rate would somehow have to be reduced to enable larger employment to be achieved

INDUSTRIAL POLICY STATEMENT OF 1977

The emphasis on distributive justice found expression in the policy statement issued by the Government of India in December 1977. This policy

statement, while not entirely superseding the Industrial Policy Resolution of 1956, emphasised certain basic points in regard to the need for curbing concentration of economic power as well as ensuring a greater attention to small and cottage industries. It enunciated the principle that whatever can be produced in the small scale must be so produced and this applied equally to the cottage industry sector as well.

The real significance of the 1977 policy statement was in the fact that for the first time after independence, the India Government had come out openly against a programme of relying on heavy industry alone for growth; it was more in favour of a decentralised growth pattern. The burden of providing the stimulus for growth was shifted from the large steel plants, oil refineries, fertiliser units and others (which would, however, continue to be established) to thousands of small-scale and cottage industrial units operating all over the country. As a consequence of this policy, two important decisions were taken—first, to expand the existing policy of reservation for the small scale sector and the number of items so reserved was increased from 180 to 504 (reclassified as 807). The second was launching of a programme for the establishment of district industries centres (DIC) which would provide under one roof all the necessary inputs required for a rural entrepreneur for the establishment of his unit.

District Industries Centre Programme

The DIC programme was in fact a continuation of the earlier rural industries projects programme but considerably expanded so as to provide a critical mass of technical and managerial capabilities at the district level. According to the schematic pattern each DIC was to consist of a general manager and seven functional managers dealing with areas of economic investigation, machinery and equipment, credit, raw materials, training, marketing and village industries. The manager for credit was drawn from the lead bank while the others were drawn mostly from the industries departments and some from other government departments and a few from the open market. By the end of 1979-80, nearly 382 DICs were sanctioned out of which about 300 had become operational.

The results achieved under the programme have been somewhat mixed. In some States such as Rajasthan, Madhya Pradesh, Gujarat and Tamil Nadu, the programme was utilised to bring together the various schemes which already were in operation through separate agencies. The DICs in these States have begun to emerge as a focal point of economic growth in the district. In other States, however, there have been difficulties in the delegation of adequate powers and in forging effective linkages with other agencies dealing with similar problems of rural development. Throughout the country in 1979-80 about 148 thousand new units were established providing employment to 411 thousand persons.

An important programme of rural development which was undertaken

by the newly created ministry of rural reconstruction was the integrated rural development (IRD) programme launched initially in about 2,400 blocks all over the country to provide new inputs for revitalising the erstwhile CD programme and, together with its associate programme of training rural youth for self-employment (TRYSEM) which made available considerable funds in the rural areas to train personnel for non-agricultural operations. Thus, for the first time, a total programme of development involving both the agricultural as well as the non-agricultural sectors was being undertaken so as to make a significant dent on the problem of growth and providing new employment opportunities in the rural areas.

NEW STRAINS ON THE ECONOMY

In the industrial sector, however, there have been considerable strains which had developed in the past. Power generation, both thermal and hydel, fell far short of expectation; the former due to the fact that adequate coal was not available due to transportation bottlenecks; hydel power had become difficult because of the failure of the monsoon in many parts of the country. The power shortage affected the industrial sector as a whole and there has been considerable under-utilisation of capacity leading to loss of production. Another factor which has contributed to this decreased production has been the increased problems due to inflationary pressures that had built up in the economy.

CHALLENGES OF THE EIGHTIES

In the coming decade there would need to be a more integrated look by the government at the industrial sector as a whole so as to harmonise various conflicting objectives that had now become prominent in the policy. For instance, a policy of growth may not always coincide with a policy for development of backward areas or reservation for the small-scale industry. Similarly, the roles of the public and the private sectors would also need to be more clearly defined so as to bring out the original intention of the government to go into limited areas where the private sector would normally be unwilling or to act as a balancing force on the price structure of the economy.

The apparent dichotomy between the small and large industry would also need to be harmonised and a greater recognition given to the fact that both the sectors are complementary to each other and one cannot survive in a sense without the other. There is also the further problem due to the need for significant increase in exports with the falling off of inward remittances from Indian nationals abroad as conditions for work in many countries have become increasingly difficult. The export potential of the country would therefore need to be raised to balance the increased imports conse-

quent on the continuing rise of oil prices. On the other hand, domestic consumption has also tended to rise as standard of living specially in the rural areas begins to go up and it becomes therefore necessary in the policy to bring a balance between the need for exports and the rising consumption within the country.

Another important factor that would need to be decided is the role of the large houses and the multinationals. A policy of growth would necessarily offer a greater support to them but, on the other hand, this may mean a greater concentration of economic powers. It may, therefore, be necessary to balance the objectives of growth with the need for dispersal of industry on a wide scale particularly in the rural and semi-urban areas.

The creation of new employment opportunities remains a paramount objective with the labour force increasing at a fast rate However, this would need to be harmonised with other compulsions such as increased production and greater international competitiveness. The use of improved equipment and machinery may, in the short run, create problems of increasing unemployment although on a longer basis they may contribute to the growth of the economy.

An important factor which might emerge with greater importance is the role of the centre and the States in pursuing a policy of industrial development. So far, the development of heavy industry has been considered as the prime responsibility of the centre while that of the small-scale industry as that of the States There is likely to be a greater demand in the coming years for the States to exercise a larger measure of autonomy in developing the industries relevant to their States. The distribution of raw materials, the control of power generation, the availability of credit, are factors which the State Government are seeking for themselves so as to have a greater say in the issue of licences and regulation of industry It may, therefore, be increasingly important in the eighties to provide for a greater role for the State Governments in the development of industry.

CONCLUSIONS

In the ultimate analysis, the ability of industrial planners and administrators will consist in devising a strategy that will harmonise and reconcile apparently conflicting objectives so as to reach the larger national goals. Events in Iran and Korea have demonstrated that mere growth may not produce public satisfaction unless accompanied by a greater sense of distributive justice; on the other hand, growth is a necessary pre-condition before any attempt is made for a more egalitarian distribution.

Such a strategy will also need to be administratively workable and make the existing procedures simpler and at the same time enabling government agencies to monitor the trends of the economy The instruments of regulation would need to be made procedurally simple and, at the same time, refined

so as to ensure that the targets set in the plan are being realised. All too often in the past, well formulated plans have failed because of the absence of a quick 'feedback' mechanism which would ensure that solutions are quickly found to meet problems as they arise.

It is becoming increasingly evident that the assumption made in the early years of planning were too naive and simplistic to meet the complex challenges of so diverse a country as India. The coming decade will call for a judicious combination of government intervention in select areas and a vigilant watch over the others without at the same time curbing individual initiative which will remain as the spark plug for growth. However, such entrepreneurship is not always visible in the rural and semi-urban areas, although present; it is the task of promotional agencies to identify such entrepreneurs and give them meaningful support to enable them to participate in the development of industry in the eighties.

□

Industrial Progress

It is true, I think, that there are certain inherent dangers in big industry and the big machine. There is a tendency to concentrate power and I am not quite sure that this can be wholly eliminated But I cannot conceive of the world or of any progressive country doing away with the big machine. Even if this was possible, this would result in lowering production tremendously and in thus reducing standards of life greatly. For a country to try to do away with industrialisation would lead to that country falling a prey, economically and otherwise, to other more industrialised countries, which would exploit it. For the development of cottage industries on a widespread scale, it is obvious that political and economic power is necessary. It is unlikely that a country entirely devoted to cottage industries will ever get this political or economic power, and so in effect it will not even be able to push cottage industries as it wants to.

—JAWAHARLAL NEHRU, *Selected Works*, Vol. 10, 1977

Some Future Scenarios and Their Policy Implications*

Kamal Nayan Kabra

THOUGH A plenty of population and sectoral growth projections are available for the year 2001, only a few projections are available for the growth of the Indian economy as a whole in that year. As distinct from 'growth', hardly any futuristic exercises or predictions have been scientifically worked out for the 'development' of the economy. Admittedly, the latter exercise is rather difficult in view of the wide scope for value judgements involved in it, over and above its inherent technical and methodological difficulties.

Even for growth projections, there are plenty of methodological difficulties owing to the non-spontaneous, planned, and sponsored nature of the phenomenon of 'growth' in our economy. Since 'growth' (sustained and substantial increase in national income, *a la* Kuznets) is a planned affair, the projections will have to be based on a whole set of assumptions concerning economic policy, planning, and the mechanisms of implementation. As the *Base Document on Futurology* (Department of Science and Technology, Government of India) rightly pointed out

> The challenge of 960 million people of the year 2000 AD is thus not merely a challenge to the scientists and technologists, it is a major challenge to the Indian political genius as well.

Thus the methodology for growth projections has to be based on the assumption that the government, through planning, achieves a given rate of growth (by bringing about needed social, economic and political mobilisation) and then one has to work out the implications of the chosen rate of growth, though these growth rates do not embody the effects of investments in human resources and institutional innovations.

Various plan documents carry a particular growth perspective for the

*Based, in part, on a report prepared by the author in 1976 entitled "A Survey of Growth Projections for the Indian Economy for the Year 2000 AD and Some Implications for Crime and Social Tensions", which was undertaken by the IIPA for the Bureau of Police Research and Development, Ministry of Home Affairs, Government of India,

long-run (though not extending up to the year 2000). Also since these are well known, we do not include them in the present paper. Here, we briefly survey some major attempts at economy-wise projections for India of the year 2000 and bring out some of their implications for public policy.

It is true that no such exercise can be carried out without assuming a certain character of the state for the period of the projection. We, nonetheless, refrain from assuming any specific character of the state except the bold assumption that its present character survives. It is needless to add that such an exercise of extrapolation of the existing has its obvious implications. However, it may be noted that one of the scenarios discussed in the paper specifies the kind of institutional set-up which would have to be associated with the postulated developments. It goes without saying that the significance of the projections discussed arises from factors other than the probability of their actually materialising. Then, international dimensions of the developments, likely to take place over the next few decades, their interaction with Indian developments, etc. are not sought to be covered in the present exercise, without, of course, denying their importance.

In section I, we briefly present the results of a futuristic excursion by Surendra J. Patel[1] and contrast his approach to that of F.A. Mehta,[2] which we discuss subsequently in section III. Before doing that, in section II, we work out some implications of Patel's scenarios for public policy. In the section on Mehta's projections, we similarly attempt to spell out some of its implications In section IV, we specifically focus on the employment scenario in the year 2000 and try to show its links with social tensions. In section V we present a basically quantitative projection exercise and find it sterile for the purpose of throwing meaningful light on the issues of public policy. In the last section, we sum up some of the important conclusions of the paper.

INDIA'S ECONOMIC TRANSITION TO 2000 AD

A pioneering work in the direction of projections for the year 2000 is the one by Surendra J Patel[3] The central theme of this exercise is to spell out the implications of "an affluent India in an adult's lifetime", an adult who is raised within 40 to 50 years from his present low level of living to the highest attained so far by the most prosperous of industrial nations. It is worthwhile to note, at the outset, that Patel's approach is vastly different from that of F.A Mehta[4] (which we will review in the next

[1]Patel J. Surendra, *The India We Want: Its Economic Transition*, Manaktalas, Bombay, 1966, pp. 223 & xxviii

[2]F.A. Mehta, *Second India Studies: Economy*, Macmillan, Delhi, 1976, p. 169.

[3]Patel, *op cit.*

[4]Mehta, *op. cit*

part of the paper). While Patel translates the aspiration of becoming an affluent nation in terms of the day-to-day recognisable idea of catching up with the most affluent industrial nation, Mehta clearly has a different perspective when he says :

> There is no way in which Second India will ever catch up with the per capita incomes of the advanced countries, even as the per capita incomes of these countries stand at present, leave aside as they will be by 2000 AD.[5]

Among the many serious differences in the approaches of the two is the reliance they place on the national income figures currently available and used. While Mehta apparently does not question the methodological bases[6] and, consequently, the comparability of such statistics, Patel attempts to look below the surface. By raising the well-recognised methodological issues in comparing national income statistics in countries as different as the USA and India, Patel tries to refathom the extent of economic disparities between the two countries. On the basis of such methodological arguments he concludes that

> the economic distance between the richest and the poorest countries is not forbiddingly large And the task of narrowing it, even at its widest, needs no more than half a century The pathetically pessimistic prospects which some people outline for the poor countries have thus little basis in fact[7].

According to Patel's calculations, the real economic distance between the two countries is not in the ratio of 1 to 28 as suggested by the conventional comparison of per capita income levels, but only in the range of 1 to 10.

The economic transition needed to cover a gap of this magnitude, according to Patel, would involve the following :

> Raising national income some sixteen times, or at an annual growth rate of about 7 per cent for 8 to 10 five year plans; with an expected

[5]There is a remarkable similarity between these views and those contained in the World Bank's 1979 Annual Report according to which the trends over the current decade provide no hope that the so-called gap between the developing countries and of the industrialised world might be narrowing As the Annual Report puts it, ' even if the developing countries were to manage to double their per capita growth rate, while the industrialised world but maintained its, it would take almost a century to close the absolute income gap between them, so great are the differences in the capital and technological base of the two groups," Mehta, *op cit*, p 7.

[6]These methodologies are based on comparison and extrapolation of nominal, unadjusted estimates of Gross Domestic Product, Mehta, *op. cit.*

[7]Patel, *op. cit.*, pp. 57 66.

decline in birth rates the per capita income towards the end of the period nearly equalling the present American; a five-fold increase in agricultural production to be brought about through major tenancy reforms and through raising chemical fertiliser (in terms of plant nutrients) output to over 20 million tons during the next 20 to 30 years; and in line with it, expanding the supplies of all other modern inputs (improved seeds, medicines, insecticides, pesticides, new techniques, etc); organising the production and distribution of all these new inputs on a socialist basis; forty-fold expansion of industrial output with the 'heavy' industries rising nearly ninety times; the extension of public ownership to 80 to 90 per cent of the industrial assets, attainment of western European levels of educational enrolment by 1980, and the American levels by 2000 or earlier; and to achieve these goals, raising the real gross capital formation from about Rs. 26 billion in 1960 to Rs. 125 billion by 1980 and Rs. 500 billion by 2000, or from over one-sixth of national income now to around one-fourth later[8].

It can be seen that among the evolving mechanisms for the transition, Patel visualises not only increased rates of savings, capital formation, industrial outputs and training of manpower but also a realignment of socio-economic forces and institutional changes. He does not, however, seem to believe that no real progress is possible without a fundamental and immediate reorganisation of social relations His recipe seems to be

> to consolidate the strong points, to overcome the weak points, to fill in the gaps, and to advance simultaneously towards a faster economic and social development and the creation of a fair and an equalitarian society[9].

In contrast to the analysis presented by Patel in terms of institutional openness, Mehta's analysis is more strictly confined to narrow economic variables, except his assumption that in 2000 India will be a 'democracy based on pluralism' which will need to recapture the spirit of austerity and the spirit of charity. One can see how subjective values correlated to the unfolding reality of India of 2000 (even in terms of Mehta's own analysis) are sought to be substituted for hard socio-economic analysis. His sociological, political, intellectual and technological 'revolutions' are not integrated with the analysis of the behaviour of the economic variables and appear like results of a flight of fancy. However, as far as 'pure' economic variables are concerned, they have been methodically projected into the future.

[8]Patel, *op cit.*, p viii
[9]Epilogue by Krishna Ahuja in Patel, *op. cit*, p. 207.

Before we turn to the projections arrived at by Mehta, let us detain ourselves with a brief excursion into the implications of Patel's scenario for public policy.

PUBLIC POLICY: 2000 AD

The transition period in Patel's analysis is a period of intense social and economic mobilisation during which large scale shifts of men and materials will take place over sectors and regions. Such a period is fraught with many tensions because many realignments are going to take place. However, if the process is undergone through careful social and economic planning (as the process must of necessity be in a country like India), the tensions need not erupt into chaos or breed dysfunctionalities. However, in order to obtain such orderly movement of the process, one has to introduce significant widening of the parameters of planning, beyond strict economic aspects, to include social, cultural and socio-psychological aspects. It is true that this is easier said than done and in reality many conflicts and strifes are bound to dot the period of transition. The nature and magnitude of such tensions is a function of many imponderables. What, in any case, can be done is to identify some of the important *sources* of such tensions and conflicts. This exercise suggests areas in which progress needs to be monitored with a view to work out the implications for social tranquillity.

Employment to those who have already entered the labour market and are yet to find means for stable and adequate income as well as the availability of income-earning opportunities to the new entrants to the labour market in both rural and urban areas is closely connected with social well-being and effective operation of the economy The rate and pattern of growth envisaged by Patel (i.e., 7 per cent per annum rate of growth with emphasis on heavy industries) in itself is quite attuned to meet the needs of giving meaningful participation to the masses in economic activities However, the nature of industrialisation (in terms of products, location, size of individual units and technology) has to be specifically designed to suit the manpower balance, income distribution, over-growth of metropolices and the vast existing size and prospective scope for strengthening and expanding artisans and household industries in order to deliver not the percentage growth points and technological coefficients between various human and material (non-reproducible and reproducible) resources alone but also the social pay-off expected of it. It implies that social consequences of various patterns of industrialisation must enter as conscious choice and policy variables in the plans for industrialisation.

In terms of Patel's model, personal incomes cannot be adequate to provide a minimum standard of living during the transitional period. Moreover, the policy and complexion of the unfolding regime can also be expected to emphasise the role of public consumption to continually expand

to meet the needs of social services like health, education, sanitation, water supply, housing etc. in order to supplement the personally provided quantum of consumption of private or market-based goods and services In fact, given the Indian situation there is a paramount need to see that personal incomes cease to be the determinants of the availability of health care, education, hygienic water supply, sanitary environment and decent housing both for the less well-to-do and the well-to-do Freeing the quantum and magnitude of social services from the determining influence of personal incomes will imply reducing the pull on their limited availability presently exercised by the higher echelons of society and thus create an essential condition for the successful assumption of the role of purveyor of public consumption by public authorities.

In the absence of such a public supply of essential ingredients of a tolerable living standard, disparities will become all the more explosive, breeding individual and group-based tensions and not infrequently violence too. Given the slow pace of super-structural change, particularly in the sphere of values and ideas, the mediation of such conflicts through entrenched institutions of caste and regional/ethnic diversities will tend to give a very distorted and, in the short-run at least, intractable character to such crises. The impact of such imbroglios on the specifics of the extended reproduction of both the material and social conditions of existence could be serious. Provision of collective non-market consumption and expansion of capacity in this respect are essential for both short and medium term management of social affairs. Thus continuous expansion of the role of public consumption with a mechanism preventing its cornering by the better-off sections is a precondition for social harmony.

How can one find resources for such a massive programme of socialised consumption? Obviously normal, conventional, fiscal and monetary measures are not equal to the task. Western welfare state models had a base in economies of high productivity and sustained growth based on unilaterally favourable internal and external conditions Obviously, India has no such prospects. Hence the base for such expanded level of public services has to be found in a growing, buoyant and restructured economy in which social and economic developments are concomitant and complementary.

Patel's model of transition of India to 'affluence' by the turn of the century postulates simultaneous social and economic advance. It implies that without the two marching together, the end of the tunnel can hardly be seen, let alone the prospects of there being light at the end Therefore, it can be inferred that simultaneous social and economic advance is an essential precondition for social harmony For this purpose, Patel outlines the changed nature of agrarian relations (*i e*, major tenancy reforms etc) which would be an essential precondition for agricultural development One would like to add new patterns of ownership of land and emergence of new, local resources and ecology-based technology to the list of such pre-conditions,

particularly if the experience of the post-1965 green revolution is any guide. Similarly, in the field of industries, a forty-fold expansion of output visualised by the year 2000 is accompanied by a postulation of public ownership of 80 to 90 per cent of industrial assets. Such a character of agricultural and industrial development not only contains inequalities but facilitates fair distribution of the fruits of development. It is this perspective which is basic to the maintenance of peaceful and harmonious social relations accompanying sustained and sizeable expansion of the annual flow of material means of satisfying social and individual wants.

ECONOMIC GROWTH PROJECTIONS

As a part of their Second India studies, the Ford Foundation, New Delhi, got a study made by F.A. Mehta on the growth of the aggregate economy. This study has presented four growth scenarios based on different rates of growth of income, *viz.*, 3 per cent, 5 per cent, 7 per cent and 9 per cent average compound rate of growth of GDP. For the purpose of each growth scenario, the economy has been divided into six sectors like primary production, industry, power generation, construction, transport and other tertiary services. The time period upto 2000 has been broken into six sub-periods, corresponding to the periods of five year plans. As the growth rates are taken as given, the savings ratios are the variables corresponding to each growth rate. Even with a certain rate of savings, the resulting growth rate is a function of the sectoral allocation of the savings and average capital output ratios for these six sectors. With certain assumed average/capital output ratios, the sectoral allocation of total savings has been obtained. In an aggregate growth exercise, it is obvious that the sectoral rates of growth must be mutually consistent.

Given our population growth, the need-based food requirements can be determined. It has been shown by V.M Rao (in his study on *Food in Second India*, sponsored by Ford Foundation, New Delhi, 1975) that if the Indian economy grows at about 6 per cent per annum, the aggregate demand for food by the turn of the century is likely to be *four times* the total consumption of food in 1964-65; this would consist of more than *five-fold* increase in the demand for 'other foods'. In the absence of direct state intervention, even an increase of this order will leave out of its ambit about a fifth of the total population in low-income brackets who will be unable to obtain adequate food. Implications of this finding for social development are too obvious, as hunger is the most powerful spur to desperation. Thus, in order to eliminate mass hunger, India needs, along with *effective production and distribution policies, a four per cent annual rate of growth in food output and a 5.5 per cent rate of growth in other foods*. As about 750 million people will then live in about 480 thousand villages, the need for the growth of small and agro-based industries is obvious if unemployment and low-

productivity and consequent low-standard of living and the consequent welling-up and eruption of frustrations are to be overcome. As the detailed break-down of agricultural performance and its quantification are more a function of *policy-choices and policy effectiveness,* a topic too complicated to be dealt with in this kind of a paper, we just mentioned some notable aspects on the basis of Mehta's medium growth rate assumptions

As far as the developments in the field of agriculture are concerned, their predominant rural character cannot be denied Presently, there are over 350 thousand villages with a population under 500. These rural people based on agriculture have not only to contribute the bulk of agricultural growth but must also be made the focal points of rural regeneration for improved living. The existing settlement pattern is too dispersed and mini-sized to be effectively communicated with, let alone the question of being managed and integrated into viable social patterns Deliberate policies of scientific settlement pattern are essential to make these rural people partners in progress Rural tensions derive considerably from the overlordship of the bigger cultivators and landlords combining the roles of money-lenders-cum-traders dominating rural superstructure. Apart from land reforms, institutionalisation of credit and market, etc , bigger and scientifically planned rural settlements are essential for effective communication and social interaction which in many ways go to increase the social defence available to the weaker sections. It also increases administrative capability to provide retroactive and proactive inputs for social harmony.[10] The more basic point arising from the plea for a scientific settlement policy is the dependence, particularly in the coming decade, of social tensions on increasingly newer kind of factors, exclusion from or peripheral inclusion in social communication being one of such factors The implications of this consideration impinge crucially on policies concerning science and technology, agropolitan *versus* metropolitan development and pattern of income and employment.

Apart from the nature of agrarian relations, the regional aspects of agricultural development too are closely connected with the emerging social balance in the agricultural sector. Agricultural development has a tendency to get focussed in irrigated and better climatic regions Continuation of such trends may not only worsen the lot of unirrigated and poor resource regions but may create increasing propulation pressures (through natural factors and migration) in the thriving regions This may adversely react on the performance of agriculture even in the better endowed regions Hence emphasis on dry farming and general improvement of the economy of the backward regions is critically important for preserving social harmony and promoting cohesive social development.

[10]See, *The Causes and Nature of Current Agrarian Tensions,* Ministry of Home Affairs, Research and Policy Division, Government of India, August, 1969 (mimeo) for detailed description of measures needed to contain rural tensions.

Temporal fluctuations in the fortunes of agriculture may also engender social tensions and stresses through disrupting food security with over-concentration of the inimical consequences on the worse-off sections in the poorer regions. It is difficult to visualise that by the end of the century we would have overcome fluctuations in agricultural output and droughts. However, what can and must be acquired is the capacity to minimise the ups and downs and, more important, to minimise, localise and overcome their consequences through a series of short and long-term measures and through contingency planning. Special efforts to protect the drought-prone areas and sections of population more exposed to such calamities are essential not only for a meaningful spread of the development net but even from the point of containing probable trouble-points.

Apart from dealing with the consequences flowing from the continued importance of crop-soil-rainfall zones, there are some aspects deriving from the rate of population growth and urban-rural balance which are critical from the angle of social development. For many reasons, the pool of young entrants seeking employment is likely to be larger in rural areas. Evidence from NSS data suggests a higher rate of growth of population in rural India than in urban India. Then, the existing bigger population base of the rural areas will make for larger absolute numbers. It means the pattern of rural and agricultural development must be so designed as to be able to productively absorb this bigger addition to the workforce.

This task is made more imperative by the big absolute size of the urban population in India. The urban population base of 109 million (1971) and its natural rate of growth (even with effective adoption of family-size limitation norms yielding a less than 2 per cent growth rate) will add naturally to urban population numbers large enough to require substantially high rate of growth of secondary and production-oriented tertiary activities in order to absorb them in gainful employment. It implies weakening of the urban pull factors for the rural labour force, because urban areas can, by and large, provide the needed labour force internally.

Even in industry, a number of alternative models about the pattern of industrial 'growth' can be postulated, which can be defended or attacked in terms of their policy implications and social consequences (again too detailed a task to be attempted here). We take the simple assumption of continuance of the current industrial structure (which may well to considered unrealistic) and report the outcome of the four alternative growth scenarios for the economy as a whole. Table 1 presents details of these annual compound rates of growth for the year 2000, dividing the entrie period into six separate sub-periods.

As can be seen from Table 1 (alternative growth scenarios), even on the lowest growth profile, in the year 2000 our national domestic product can exceed one hundred thousand crores of rupees, if we are able to generate savings to the tune of nearly Rs. 70 thousand crores in the last five years

TABLE 1 ALTERNATIVE GROWTH SCENARIOS

(Rs. Crores)

	Base Year 1973-74	Projected Period (Each period 5 years except period III which is of two years)					
		I	II	III	IV	V	VI
A. GDP Annual Growth Rate 3.07 per cent							
1. Terminal year GDP	45,050	50,798	58,243	61,340	71,903	84,775	102,137
2. Growth rate for the economy	—	12.59	14.78	5.67	17.03	17.60	20.48
3. Growth rate for industry	—	15.93	18.77	7.12	20.23	21.67	21.67
4. Total savings	—	19,281	27,025	12,214	38,776	50,620	69,448
5. Total industrial employment (in million)	16.06	18.62	22.11	23.68	28.46	34.63	42.13
B. GDP Annual Growth Rate . 5.01 per cent							
1. Terminal year GDP	45,050	52,247	67,420	73,807	94,329	123,805	168,003
2. Growth rate for the economy	—	20.48	24.00	9.41	28.23	30.70	35.70
3. Growth rate for industry	—	27.63	37.01	13.63	40.26	43.56	50.37
4. Total savings	—	31,368	46,869	23,469	77,091	115,836	176,794
5. Total industrial employment (in million)	16.06	20.50	28.09	31.92	44.77	64.47	96.64
C. GDP Annual Growth Rate 7.01 per cent							
1. Terminal year GDP	45,050	57,799	78,671	89,471	126,004	182,772	278,599
2. Growth rate for the economy	—	28.23	36.34	13.63	40.90	44.88	52.43
3. Growth rate for industry	—	37.01	53.86	18.81	53.86	54.28	71.57
4. Total savings	—	43,239	75,613	39,674	135,396	226,202	383,309
5. Total industrial employment (in million)	16.06	22.00	33.85	40.22	61.88	95.47	163.79
D. GDP Annual Growth Rate : 9.02 per cent							
1. Terminal year GDP	45,050	58,605	82,617	95,651	149,712	248,273	467,647
2. Growth rate for the economy	—	30.06	40.90	15.77	55.97	65.46	97.36
3. Growth rate for industry	—	40.26	53.86	19.90	72.34	84.24	104.67
4. Total savings	—	46,041	86,290	48,199	198,074	392,006	877,496
5. Total industrial employment (in million)	16.06	22.52	34.65	41.54	71.59	131.90	269.27

SOURCE : Mehta, *op. cit.*

of the century. Employment implications of this exercise at over 42 million are too modest in view of even the lowest population and urbanisation growth estimates. Hence the need, on the one hand, for a step-up in the growth target and, on the other, for changes in the industrial structure and technology to employ a larger number of people in the industrial activities. The low-profile, which is nearer to our performance so far, also spells out the social tensions inherent in a slow-growing economy. As the current growth record has been the outcome of large scale state intervention through planning, it needs to be emphasised that even a repeat performance will require much greater state effort through far more effective planning than has been the case so far. This is because now the scope for taking in the slack is greatly reduced. In case even this level of performance is not obtained, the resulting tensions will impose a heavy law and order burden, the budgetary resource mobilisation implications of the choice (in terms of finding resources for financing development or to find resources to contain the law and order crisis resulting from non-allocation for development) may not be much different if higher growth were attempted.

The 9.02 per cent growth profile promises more than four times larger national income in the year 2000, though requiring about 877 thousand crores of rupees of investment during the last five year plan ending in 2000, *i e.*, about two-fifth of the terminal year income. This magnitude of effort will generate about 270 million industrial work opportunities. With suitable changes in product and technology-mix, the employment performance can be improved still further.

The modest growth rate profiles (5.01 per cent and 7.01 per cent) naturally give intermediate quantitative positions as can be seen from Table 1. Their importance lies in showing the big absolute level of difference in outcome. For example, industrial employment in the terminal period is 96.64 million with 5.01 per cent growth and nearly 164 million with the higher growth rate of the two. In terms of social consequences, development impact and containment of social inequities and tensions, the outcome is very significant. This is partly because the effort and sacrifice saved and spared in the lower rate of growth would have to be diverted to dealing with poverty and unemployment and maintenance of social order and tranquillity with the additional 70 million unemployed in the case of the lower growth rate.

A study[11] estimated that nearly 150 million new jobs will have to be created during the next 25 years, giving an average of generation of 6 million new jobs every year. Given the modern high capital-intensity per job, it throws up massive capital accumulation requirements. Given the most optimistic growth rates for the GNP and savings, a continuation of the present arrangements cannot be expected to generate resources of this magnitude. This

[11]P.D Malgavkar, and V. A. Pai Panandiker, *Towards An Industrial Policy—2000 AD*, Centre for Policy Research, New Delhi, 1977.

suggests need for a serious review and consideration of all the relevant variables if a stupendous crisis is to be averted. The relevant variables which need to be examined may include technology and product-mix for new job opportunities, mechanism and motivation for allocation of resources for additional capital formation, the extent and nature of additional resource identification and use, etc.

It is easy to see that society does not gain respite simply by setting its sights low, owing to the force of objective factors like population growth, urbanisation, rise in the size of the work force, and unemployment. In these exercises, we are not in a position to make guesses about the extent of disparities because the exact institutional pattern (role of the private sector, the kind of farm organisation, the product-mix and technology, the tax structure, the fiscal and monetary policies etc) associated with the growth process and the resulting growth rate have not been assumed. However, it can safely be said that given the growth of disparities over 1950-1976, special measures are required for correcting the imbalances Around the year 2000, the disparities are bound to become all the more indefensible because by then, we would have left behind us nearly half a century of planning for development. Thus, it can be said that continuation of the present institutional pattern will give rise to greatly indefensible inequalities with serious, nearly unmanageable consequences for law and order administration. Quantification of such tensions in terms of crime rate and size of police budget is an airy-fairy exercise, mainly because these tensions are reducible through conscious social policy and the expenditure on law and order can easily be diverted to promote higher growth with greater social justice

Mehta has not apparently forgotten the equity and social justice dimension. He has projected what he calls a 'growth-cum-distribution model' on the basis of all the four growth-scenarios which he has earlier visualised This exercise is based on a simple mechanical formula (without regard to how it is to be brought about) that

> every one per cent rate of growth in the per capita GDP must be accompanied by at least twice this rate in the per capita GDP of the bottom 40 per cent [12]

This arithmetic of growth rates with chosen (arbitrarily) equalisation factor yields ths following results .

The 3 per cent growth-profile enables the bottom 40 per cent of population to have a consumption level equivalent to Rs 500 per annum at 1972-73 prices (the minimum level) by 1996-97 only. Obviously, as a consequence "the principles of both growth and equalisation fail" It can be seen how, if

[12]Mehta, *op. cit*, p. 91.

the equalisation bias was not introduced, the situation will worsen due to non-availability of this minimum consumption level even by the turn of the century.

At 5, 7 and 9 per cent compound rates of growth the bottom 40 per cent will cross the poverty barrier in 1985-86, 1981-82 and 1980-81 respectively. In fact, with the 7 per cent performance, the lowest 40 per cent reach the level of the remaining population by 1996-97. It is also maintained by Mehta that with the 9 per cent growth scenario's operation,

> unemployment will almost certainly have disappeared as with such a major rate of growth sustained over such a long period of time.[13]

Such a high level of performance is dubbed 'out-Japaning Japan' by Mehta, though it will leave India a long way below the US level; in fact, even more than one-third of the developing countries are already around or above the 9 per cent per annum growth rate induced level.

Mehta's projection of the distributional aspects seems to rest on shaky foundations. *The biggest snag is how his 'doubling-principle-of-equalities' is going to be realised, through what kind of principles, policies, measures etc. It appears as though income distribution is like putty-clay; one can give it any shape one likes, provided enough has been produced to begin with.* Similarly, it is believed that there is some necessary positive co-relation between high and sustained rate of growth of income and that of employment. It may be noted that even India's own recent experience has been different from such an expectation. As our discussion of Patel's projections brought out earlier, a massive redistribution requires simultaneous social and economic development, changing the structural and institutional face of the economy as development takes place.

The disparities leading to social unrest and tensions aspect is grossly oversimplified by Mehta's procedure of dividing the entire population into two groups only, *viz.*, the bottom 40 per cent and the top 60 per cent. As the analysis in the Draft Fifth Plan in terms of many more fractile groups brought out, many significant dimensions of disparities are discovered by a more detailed income consumption grouping of the population. From the point of view of policies concerning the creating of built-in mechanisms for structurally interlinking growth and development, the relevant categories into which the population ought to be divided are those concerning the *differential place and role occupied by different groups or strata of society*.

Just as the institutional aspects impinging on the distribution of social power fail to surface in terms of Mehta's analysis, hardly anything is noticeable on the role of social consumption in general and for the less well-to-do sections in particular, in terms of his projections for the year 2000.

[13]Mehta, *op. cit.*, p. 95.

As a result of the above-mentioned factors, not much can be inferred about the disparities—social tensions connection on the basis of Mehta's projections. However, a more concrete dimension of the social tensions situation can be seen in terms of the emerging employment situation in the year 2000.

EMPLOYMENT SCENARIO

The story about unemployment begins with the inadequacy of reliable estimates on the magnitude of unemployment. In 1971, the Committee on Unemployment's estimate put the number at 18.7 million—16.1 million in rural areas and the rest in urban centres. In 1976, the employment exchange figures are about 10 million, of which a little less than a half consists of the educated unemployeds, it rose to 14.44 million by the end of January, 1980.

On the basis of Ambannavar's estimates (Second India Studies: *Population,* Macmillan, New Delhi, 1975), the labour force will grow from 190 million in 1961 to 420 million by 2000, *i e.*, by about 230 million. Providing employment to this big increment, along with the removal of the backlog of unemployment of about 20 million and improving the level of productivity of the underemployeds, are, by all reckonings, stupendous challenges. For example, if about Rs. 10,000 were needed for creating gainful work-opportunity for one worker, providing full-employment by 2000 would require an investment of the order of Rs 250 thousand crores We have seen that the perspective worked out by Patel, involving a sustained growth rate of 7 per cent, necessitates an investment of the order of Rs. 500 thousand crores by 2000, which will be around 25 per cent of the prospective national income. Given the institutional restructuring and mobilisation suggested by him, full employment in 2000 falls within the realm of possibility. We have also seen in Table 1 that, even according to Mehta's calculations in terms of a 7 per cent growth scenario, total savings during the five year period endings with the year 2000 will be of the order of over Rs. 383 thousand crores Thus it can be seen that the savings needed for full employment can be generated provided adequate growth of national income is achieved, which, in turn, imposes a gigantic task in terms of a thorough going, new policy package (a specific variety of such a package was outlined, as we saw in the preceding paragraphs, by Patel)

However, growth and availability of savings are not sufficient to guarantee full employment for the labour force. It also depends on the pattern of development, on the sectoral and inter-industry composition of output, scale of production units, technology (capital and labour intensities, construction period etc) and locational pattern of economic activities and power, will and motivation of decision-makers including the question *who* the decision-makers are and *what* their respective roles and responsibilities are. For example, imitative industrialisation (in terms of products technology,

management and spatial concentration) which we have, by and large, witnessed so far, cannot meet the needs of creating work and income opportunities on the scale required. This raises the question: how to change the content of industrialisation in terms of products, technology, management location, etc.? Are market and private enterprise, along with a regulatory role of government, equal to the task? What are the alternatives? Then, the strategy of agricultural development in our context has to be based on higher labour intensities than are prevailing presently. It means modernisation of inputs and farm practices have to be based mainly on new and scientific 'objects of labour' which increase the effectiveness of land and labour and only marginally on the introduction of sophisticated 'means of labour' which can reduce the need for labour. Then, the skill intensity of agricultural labour has to be increased much more than equipment intensity of work. It may be noted that, as of now, compared to Japan and Egypt, labour intensity of Indian agriculture is way behind.

Thus employment and earnings to the masses and the consequent reduction in disparities are contingent upon both a high and sustained rate of growth coupled with detailed selective policies about the pattern of development. What would be the situation in the absence of such an employment-thrust development cannot be precisely indicated except that in a general way one may state that the greater the short fall, the worse the situations with respect to unemployment and disparities (without, of course, postulating anyone to one, proportional relationship). It is again obvious that employment and disparities are the variables most closely bearing on the social tensions and harmony, more so when the phenomenon of partial and slow growth worsens both the absolute and relative position of the large majority.

QUANTITATIVE PROJECTIONS

Apart from Surendra Patel's and the Ford Foundation projections which I have discussed in the preceding part, I could obtain one more private study on projections of income growth for the year 2001 The results of this private, unpublished study are presented below.

Table 2 presents four projected levels of national income at 1960-61 prices. From the futuristic view of real economic growth and welfare, per capita income projection is of crucial significance. The per capita income projection is definitionally based on national income-projection and population projection Since there are four views underlying income-projection and population-projection respectively, their various possible combinations can yield as many as sixteen views underlying the per capita income projection. The sixteen elements represent sixteen different angles from which per capita income can be viewed, each yielding a single level of income per capita. On this format, per capita income estimates have been prepared

TABLE 2 PROJECTED LEVEL OF NATIONAL INCOME AT 1960-61 PRICES

(*In Rs. crores*)

Views	1976	1981	1986	1991	1996	2001
View I	30371	48911	78771	126861	204309	329041
View II	25837	35397	48495	66422	91031	124720
View III	24647	32212	42100	55022	69891	91227
View IV	22289	26342	31133	36796	43490	51401

for different years which are presented in Table 3. It may be noted that for each year, the range of variation in the size of income per head is defined by two limits, which shows that the range is wide, because the degree of variability in the underlying assumptions is high; it varies from extreme optimism to extreme pessimism. For reference and operational purposes, an arithmetic mean of all possible levels of income for each year has been calculated; these average figures are placed at the bottom of each box. It shows that, other things remaining constant, India's real income per capita (at 1960-61 prices) may increase from Rs. 348 6 in 1971 to Rs. 421 7 in 1976, Rs. 526.6 in 1981, Rs. 667.8 in 1986, Rs. 861.5 in 1991, Rs. 1124.4 in 1996 and Rs. 1498.7 in 2001. This means that the real income per head may increase three and half times in the course of the next two and a half decades, *i.e.*, a cumulative growth rate of about 5 per cent per annum

There may be an upward bias in the estimates presented above. The upward bias results from the incorporation of a probable 10 per cent growth rate in national income as one of the views If we drop this view of income growth from the assumption, it is found that India's per capita income in 2001 will be about Rs. 896. If the extremely optimistic views are dropped not only with regard to income growth but also with regard to population growth, it is found that the per capita income for 2001 moves down to about Rs 833 If even the moderately optimistic views with regard to income and population growth are also discarded the per capita income at the turn of the century is further revised down to Rs 625 The more optimistic views one drops, the more conservative become one's per capita income estimates

The element of real optimism, without qualifying it with respect to degree, consists in the postulation of a steady rise in the level of per capita income This implies that in the years to come, national income will grow faster than population In fact, it is believed, though population growth per annum may vary somewhere between 1 5 per cent and 2 5 per cent, yet national income growth per annum may vary somewhere between 3 5 per cent and 10.0 per cent It follows from these assumptions that the per capita income growth per annum may vary somewhere between 2 0 per cent and 7.5 per cent. These rates may appear quite high because these are cumulative rates and because these rates have not prevailed in a sustained level in the past. *If one goes by the record of our past performance, say, over the period of two*

TABLE 3 PROJECTED PER CAPITA INCOME (in Rs. at 1960-61 prices)

Views on national income	*View I*	*View II*	*View III*	*View IV*
		1976		
Views on population				
View I	516.0	439.0	418.8	378.7
View II	493.7	420.0	400.7	362.3
View III	493.4	419.7	400.4	362.1
View IV	483.8	411.6	392.6	355.1
				Average 421.7
		1981		
View I	769.9	557 1	507.0	414.6
View II	715.9	518.1	471.5	385.5
View III	708.1	512 5	466.3	381.4
View IV	691.0	500.0	455.1	372.1
				Average 526.6
		1986		
View I	1154 6	710 8	617.1	456.3
View II	1049 1	645.9	560.7	414 6
View III	1015 5	625.1	542.7	401.3
View IV	979.2	602 8	523.2	387.0
				Average: 667.87
		1991		
View I	739 9	911 0	754 6	504.6
View II	1549	811.5	672 2	449.5
View III	1456 3	762.5	631 6	422.4
View IV	1387 5	726 4	601 8	402.4
				Average: 861.5
		2001		
View I	3999.0	1515 8	1108 7	624 7
View II	3449 8	1307 6	956.4	538.9
View III	2995 9	1135 5	830.6	468.0
View IV	2785 4	1055 8	772 2	435 1
				Average : 1498.7

decades (1951-71), *India's per capita income in* 1960-61 *prices cannot exceed Rs* 550 *by the year* 2001. However, it is hoped that India in near future will be able to break the low level growth trap such that, with regard to per capita income growth, a break from the past trend may be established. In other words, some sort of a theory of 'great spurt' (Greschenkron) lies

behind the per capita income projection in this exercise

From the above exercise it can be seen that not much useful purpose can be served by making projections about future income which are based simply on *quantitative assumptions* about growth rates, savings ratios, and input-output and capital-output ratios. For purposes of drawing policy implications and action guidelines, detailed *policy-mix assumptions in a broad sense of the term, and administrative mechanisms and effectiveness assumptions*, with their counterpart of growth rate assumptions, are required, and not simply faith and hope in some sort of a theory of great spurt. Needless to say, this is a big and ambitious exercise, but it is certainly needed in order to throw light on lines of advance action so essential if we are not to be caught unawares in the turmoils of the future and effective contingency plans are to be made ready for meeting anticipated crises The two studies discussed earlier provide some elements of such an exercise.

IN LIEU OF CONCLUSIONS

We can briefly sum up the major conclusions of the foregoing as follows:

In view of the difficulties involved in making growth and development projections, not many such projections have been made. We have surveyed three attempts based on three different methodologies and approaches at such projections in the present paper and brought out some of their implications for social development and public policy.

One thing which comes out fairly clearly from the various projections of the growth of the economy and population is that a fairly rapid rate of growth of the economy is an objective necessity, particularly for a country like ours with its demographic pressures, the historical nature of backwardness, the rising level of expectations, nature and pace of urbanisation (or, metropolitanisation) and extreme disparities In fact, one can be a little more firm and say that if we just succeed in obtaining a repeat performance on the growth front of what we have achieved in the preceding three decades or so, we will hardly be able to contain the impending crisis, sharpened additionally by international demonstration effect, greatly aroused expectations and enhanced politicisation of the masses. A slow growing economy (around three per cent rate of growth of per capita incomes) not only fails to bring about cheer to families with a low-standard of living and a relatively heavier incidence of unemployment-under-employment, and increases disparities, but restricts the capacity of the state to provide the public amenities and socialised consumption even on the minimum needed scale

An overall rate of growth of about three per cent will imply an even slower rate of growth of agriculture and thus may fall short of the hunger level. In the field of industries such a growth rate will cause a much wider failure: inputs for modernising agriculture, wage-goods for the lucky among the rural and urban labour force who have assured flow of purchasing power,

jobs for the teeming millions, equipment etc. for social overheads, growth of small towns through a scatter of small and modernised household industries, prevention of the over-growth of megapolicies, balanced regional development; none of these avowed ends of rapid industrial development can be obtained at a 4 to 5 per cent rate of growth of industrial output. The implications of this growth rate for the extent of capacity utilisation in the already installed heavy and basic capital goods industries too are not very encouraging because it cannot generate adequate demand for either fresh capital construction or for modernisation and replacement.

We have spelled out the implications of the various growth rates for employment generation. If full employment remains a far cry for rates of growth lower than 7 per cent, it can easily be visualised what massive proportions unemployment will assume at a 3 per cent growth rate. Taking an overall view, it can, therefore, be maintained that on an economic plane a 3 per cent or lower rate of growth can be seen as causing severe socio-economic and political crises. The social tensions[14] implications and equivalent policing needs in such cases may well be frightening and hardly a manageable and pleasurable task even for a quantifier.

While 7 per cent or higher rates of growth along with certain policies may be able to provide answers to many of the fundamental problems of Indian economy, society and polity, its implications for quality of life and holistic social development are a function of a number of non-economic variables, which connot be dealt with here

What is implied for the Indian scene in the foregoing is obvious. Economic growth and per capita income and wealth have something to do with social tensions and quality of life After all, it would be rather difficult to maintain that affluence as such adds unequivocally to the quality of life or *per se* exacerbates social tensions. *These will depend on the pattern of development and the resulting quality of life which have a lot to do with the kind of path of development and the socio-economic policy-mix which is relied upon for achiev-*

[14]In the present exercise we have raised some questions regarding *social tensions* and not regarding *social contradictions*. The question of social contradictions is a basic one and is embedded in the existing social structure. The future character of social contradictions will depend on many basic social processes which have not been, and cannot be, analysed in a short paper like the present one. It goes without saying that it is a far more challenging task As Nizard Lucien, puts it, social tensions "are manifest, the latter (social contradictions) may be latent or potential and are not empirically observable Tensions express a conscious and exteriorised conflict of interests that may be ephemeral or fortuitous Contradiction structurally opposes roles and processes that are both complementary and contradictory, whose joint reproduction is a permanent feature of a social system A social system might possibly reduce or eliminate certain social tensions and this is one of the essential functions of regulation. It cannot resolve a contradiction that is an inherent part of the system, but merely attempts to circumvent or reduce the political risks by dealing with some of the resulting tensions." "Planning as the Regulatory Reproduction of the Status quo" in *Planning, Politics and Public Policy*, ed. Hayward, J. and Watson, M , Cambridge University Press, pp. 440-441.

ing modern, non-spontaneous, sponsored economic development. It is equally clear that in the absence of economic development, social tensions bursting out in the form of overt crime cannot be contained because the major physical where-withals of social harmony and increased cultural content of life are provided through and in the process of economic development In brief, *a certain rate of growth of the economy is a necessary but not a sufficient condition for social development.* Hence the projections for the economy-wide variables throw some limited light on future areas of policy intervention, designing of new and modification of existing institutions, tension-points and needs, methods and magnitude of public intervention and magnitude and pattern of economic expansion, etc. A more sharply pointed picture can be obtained on the basis of a series of really multi-dimensional, inter-disciplinary studies. *In any case, extrapolation of existing rates and patterns of induced and autonomous change in a sub-system as crucial as the economic brings out more about the adequacy or otherwise of the present patterns seen in the light of their future consequences than about the future as such*

□

About the Future

Purposeful action is aimed at validating some image flung ahead of us in time: a "project". The more time the achievement of a project requires, the more thought we give to changes apt to occur in relevant circumstances. Thus we both *will* some thing to come (the actualisation of our project), and try to *guess* other things to come (relevant future circumstances) Man, naturally and unavoidably, thinks about the future.

—Introduction, BERTRAND DE JOUVENEL, *Futuribles*, Droz Geneva, 1963.

Criminal Justice Administration: Planning for the Future

S. Venugopal Rao

THE CRIMINAL justice system represents organised societal response to crime. It conforms to the accepted definition of a system as "a complex of elements or components directly or indirectly related in a causal network, such that each component is related at least to some others in more or less stable way within any particular period of time..."[1]

Nevertheless, viewing the criminal justice system in its various operational stages, it is difficult to perceive it as a unitary system. On the contrary, it emerges as a loosely-knit medley of diverse institutions (police, judiciary and corrections) striving apparently for the consensual goal of effective control of anti-social behaviour but often working at cross-purposes. This happens because the functions of the major components of the system are performed in different settings and perceived from divergent situational perspectives. Added to this are the complexities inherent in the functions of the components. From the police we demand willy-nilly effective social protection while safeguarding the rights of those who have little respect for them; from the judges we expect that they are not only just but appear just; and in the prisons we seek compassion while inflicting pain. Our attitude towards crime and punishment undergo dramatic changes ranging from panic and vindictive retaliation to a deep concern for human dignity and an impassioned zeal for reforming the deviant The system that has emerged from historical experience and alien imposition is extremely complex and differs widely from other administrative systems which have more specific and well-defined goals.

Exposed to a series of stresses and strains in the seventies, the criminal justice system in India shows unmistakable signs of wilting. The courts are clogged with hundreds of thousands of cases reflecting the enormous delay and irritations of the system; the police have failed to achieve a reasonable degree of public acceptability and display serious cracks in organisation; and the prisons, euphemistically termed as correctional institutions, are

[1]Buckley, W., *Sociology and Modern System Theory*, Englewood Cliffs, NJ, Prentice Hall, 1967.

totally out of tune with the reformatory ideology which dominates penal policy. By and large, the criminal justice system reveals a disconcerting degree of hollowness, a deepening sense of frustration and lack of direction.

Why has this come about? Some obvious factors such as legal conservatism, organisational inertia, politicisation and lack of resources come to mind. They are undeniable, but overriding them is the harsh reality that in the crucial years immediately following independence, there was little or no planning in criminal justice administration although the country's commitment to the rule of law was articulated in no uncertain terms in the Constitution. The enunciation of principles, imbued with soaring idealism, was not followed up by constructive action to restructure the existing institutions appropriately. The consequences of this serious neglect have surfaced now.

In extenuation of the organisational neglect of planning in an area of human relationships where the impact of socio-economic and political changes was inevitable and should have been foreseen, it is often put forward that the agencies which constitute the criminal justice system are crisis-oriented and have hardly any time to plan for the future. Thus the failures of the system today can be traced to our inability to think ahead in 1950. Today's problems are vastly different and more complex than those of yesterday; tommorrow's will be infinitely more so. We can prepare for change only if we have some idea, however vague, of what the future holds.

Dror's definition of planning as "the process of preparing a set of decisions for action in the future, directed at achieving goals by optimum means"[2] is a generalised statement which nevertheless underlines the need for thinking ahead of the times, anticipating the situations that are likely to emerge and being prepared for them. The first stage in the planning process with particular reference to criminal justice is visualisation of the state of society as it is likely to emerge and the nature and intensity of social tensions that are likely to be generated We must also accept the limitations of this exercise as pointed out by Katz: "Forecasting the future is no guarantee that we will be able to meet the problems we see; but, at least, it can accomplish one thing—avoiding the fear of the unknown and the unexpected."[3]

CRIME RATE IN THE FUTURE

What does the future hold? A horrendous growth of crime or a crimeless society, the utopian dream of saints and philosophers? Futuristic projections are hazardous and more so in regard to a phenomenon which has to

[2]Dror, Y , "The Sociology Planning Process : A Facet Design" in *Planning, Programming and Budgeting: A Systems Approach to Management*, Chicago, Markham, 1968.
[3]Katz, Michael, S , "Criminal Justice Planning: Prediction or Projection", in *Criminal Justice Planning and Development*, ed Alvin W. Cohn, Beverely Hills, Sage Publications, 1977.

be assessed in relation to the cultural, social, economic and political positions which the country may take.[4]

One of the major difficulties in forecasting the state of crime even within the foreseeable context of the turn of the next century which is barely two decades away is that the socio-political movements seeking radical changes in the structure of society can be seen as plausible only in retrospect. When Gandhiji launched his historic 'Quit India' movement in 1942 it was difficult to imagine that within six years the nation would free itself from the colonial yoke which appeared so impossible. Yet, in retrospect, we can see how inevitable was the event as also the uprooting of millions from their homes and the savage killings of partition.

Another difficulty relates to the use of social indicators. Presently crime rates are 'jumbled' and represent a conglomeration of different types of crimes of varying seriousness and impact, commencing from murder at one end of the scale and a minor traffic violation at the other. How can valid socio-political indicators be constructed, let alone a common crime rate? This difficulty was placed in perspective by Bell:

> We do not know exactly what relates to what and how. In a general way....we know that there are correlations between heavy migration and crime rates But we do not have the model of the economy, and so we lack precision in relating social change to each other.[5]

In the first year after independence (1948), the incidence of crime under the Indian Penal Code alone was 625,000 for a population of 342 million. Thirty years later, in 1978, the incidence of reported crime stood at 1,313,564, while the population rose to 635 8 million.[6] The three decades have thus witnessed a substantial increase in crime in rough proportion to population which nearly doubled in the interval. Subject to the fluctuations which were occasioned by external factors, the rise in crime has been steady, but there is a perceptible increase in the rate of crime from 183.2 to 205.8 per ten thousand. By the end of the century, the population in India is expected to be very near the one billion mark. Given the same socio-political and economic conditions and the same rate of change, a simple linear relationship will project crime under the Indian Penal Code to about two million and other offences to about five million. Reported crime in the Indian context is barely one-fifth of actual incidence, and if the same content of hidden or unreported criminality is accepted, it would be quite reasonable

[4]Iyer, Raghava, "The Great Challenge" in *The Future is Tomorrow*, The Hague, Martinus Nijhoff, 1972.

[5]Bell, Daniel, *The Coming of Post-Industrial Society*, 1976, Arnold Heinemann

[6]The statistics were drawn from *Crime in India*, the annual publication of the Bureau of Police Research and Development, Government of India. The figures for 1978 are compiled from quarterly statistics and will need some correction.

to anticipate that the emerging society at the turn of the century will be facing a forbidding challenge of crime to the tune of about 10 million offences under the IPC and 25 million under special and local laws, although all of them may not be reported and processed in the criminal justice system.

It would, however, be a serious error to attempt a simple linear relationship in the midst of bewildering changes. The rate of change may be more rapid and spectacular in the coming two decades than in the last thirty years. The non-linear idea of time adds a new dimension to any futuristic projection.[7] The impact of the growth of population does not permit measurement in mere numbers. Population growth of the dimensions visualised by our demographers must necessarily disrupt the eco-system. The effects of environmental pollution are already well known. The development of megalopolitan cities—it is anticipated that there would be five of them in India at the end of the century—will mean rising pollution, food shortages, pressures on housing and transportation, and consequent tensions leading to neurosis and crime. Inflation, emerging from the disparity between demand and supply will be another important criminogenic factor. It was estimated that world demand for goods and services had expanded by about 4 per cent during the quarter century (1950-75), but more than half of production gains were absorbed by the population growth. Crowding and competition for dwindling resources accentuated by the energy crisis (if alternative sources of energy are not forthcoming by the time) will increase individual and corporate aggression and the stress situations created by an escalating population will result in serious behavioural aberrations which include child abuse, drug addiction, and brutality.

In 2000 AD India will not be a post-industrial society Although the rate of urbanisation will gather greater momentum, the rural areas will not be depopulated. There will be a greater volume of migration—the process itself contributing to higher criminality— but the overall growth of population will compensate it. The pressure on land will be severe in rural areas and thus conflicts will be accentuated both in the urban and rural settings, and increased crime rates have to be anticipated in the rural milieu as well and this will be assisted further by improvement in the communication system There are already clear indications of increasing crime rates in the rural areas.

The most alarming feature of the present trend is the growing involvement of youth in crime. It is a corollary to the demographic trend—the significant growth of population between the ages of 18 and 25 by the end of the century and the spectre of unemployment which emerges with

[7]Wilkins, Leslie, T., "Crime and Criminal Justice at the Turn of the Century", in *The Future Society· Some Aspects of America in the Year* 2000, The annals of American Academy of Social Sciences, Vol. 408, July, 1973. For a full discussion of acceleration of change, see Margaret Mead, "The Future : Prefigurative Cultures and Unknown Children", in *The Futurist*, ed. Toffler, A. Random House, New York, 1972.

unambiguous clarity. The American futurist may take solace that the post-war baby boom would be reduced substantially by the end of the century, but in India, we have no glimmerings of such hope. The family planning programme has been vitiated by the traumatic experiences of the emergency. Ignorance and religious obscurantism continue to inhibit progressive planning. Two decades are thus too short a time for a whole people to readjust themselves to the compulsions and realities of population control although two reservations have to be made as suggested recently: "Possibly by 1985, some dramatic new technology in the field of population control will deter growth considerably in a revolutionary direction."[8]

It is surprising that Alvin Toffler who shocked the world with the shape of things to come devoted barely a page to crime although it is very much on the cards that crime will dominate the life in future societies in much greater measure than we are able to comprehend. He said:

> Given skill, the men of tommorrow will be capable of playing in ways never dreamed of before. They will play strange sexual games They will play games with the mind. They will play games with society. And in so doing, by choosing among the unimaginably broad options, they will form sub-cults and further set themselves off from one another.[9]

He was, of course, thinking in terms of the post-industrial stages of affluent societies which are likely to create certain anti-social groups who will disrupt society not for material gain but for the sheer sport of beating the system. By 2000 AD, the situation in the third world will be different from what it is today. But here too, crime will emerge from leisure-forced due to massive unemployment. As the crisis deepens, brutalisation and violence will tend to rise It must, therefore, be reiterated that the simple linear projections of crime attempted on the basis of limited demographic and criminological data have to be adjusted to unexpected changes in the economic structure, the impact of international developments, the resource position, the efficacy of the political system and the impact of science and technology.

Whether in examining the current trends of criminality or in attempting their projection at a future date, the role of legislation cannot be ignored. While new laws continue to be made as changes overtake society, there is reluctance to remove the penal laws which are either obsolete or have little meaning with reference to our existing knowledge. Thus there is not only an increasing degree of criminalisation, but considerable mismatching of law and social need As Wilkins observes:

> Legislation by reason of its very nature, has difficulties in coping with

[8]Mayur, Rashmi, "The Coming Third World Crisis" in *The Futurist*, Volume IX, No 4, August 1975

[9]Toffler, Alvin, *Future Shock*, London, Pan Books Ltd , 1970

projections and probabilities, future events, no matter how probable, do not provide a strong argument. Legislation must, by this token and indeed almost by definition, always be out of date.. If the disparity between law and the needs of contemporary social control is mismatched, then the degree of mismatching will tend to increase as we move towards the next century.[10]

From the foregoing it is clear that we may not be able to project a precise estimate of crime either quantitatively or qualitatively, but we can predict some of the situations and conditions which are likely to prevail and have an impact on the nature and volume of crime They suggest that if crime is intractable and defies a solution now in the early eighties, it will be more so at the turn of the century

(i) According to demographic projections, the population of India at the beginning of the next century will be 945 million of which about 300 million will be urban[11]

(ii) Along with population explosion, there will be unemployment explosion According to Raj Krishna, in 1973, 28 per cent of Indians were idle, 33 per cent were poor, and 12 per cent were both idle and poor. By the end of the century, the number of the unemployed and the poor will be staggering[12]

(iii) The attempt to substitute a feudal and capitalist order by a socialistic pattern of society through democratic means is bound to meet with considerable resistance and consequently demand extensive penal legislation which implies enhanced criminalisation

(iv) The threat to the quality of life emerges not only from what are designated as traditional crimes, but in an increasing measure from the more sophisticated and extended forms of crime, characteristic of industrial societies, *e g* , white collar crimes, environmental pollution, vehicular homicides, drug addiction, illicit immigration, etc.

(v) The development process itself will generate more crime by virtue of the inevitable rise in the aspirational level, and a higher degree of alienation

(vi) The advances in science and technology will add a new dimension to criminality

(vii) As global wars tend to recede under nuclear threat, international tensions will be sought to be resolved through criminality (terrorism and sabotage) — a contingency which all societies including

[10]Wilkins, *op cit*

[11]Raghavachari, S, "Population Projections 1976-2001", in *Population in India's Development*, ed. A Bose, Vikas, New Delhi

[12]Nag, Kinshuk, "The Unemployment Explosion", *The Indian Express*, June 17, 1976

> India will have to face. It is also reasonable to anticipate that similar techniques will be adopted by ideological pressure groups at the national level also.[13]

The projection of the alarming dimensions of crime and the prospect of brutalisation and violence which we foresee in the not too distant future raise a number of issues of critical importance relating to the structure and organisational capacity of the existing criminal justice system. A redeeming feature, however, is that crime is not an absolute entity whose proliferation and intensity can be measured in accordance with the principles established in physical sciences. The society at the turn of the century may not be incapable of generating the countervailing forces to help in the control of crime.

DIRECTIONS OF CHANGE

Given a rough idea of crime and social tensions in relation to the socio-economic growth projections by the turn of this century, an attempt will be made to identify the major areas in the criminal justice system which demand change not merely in form but in content and philosophy A radical restructuring of the entire system, divested of traditional prejudices and interests, and committed to a common goal of societal regulation and crime prevention, emerges as the most compelling task in the coming two decades The directions of the change are briefly discussed in the related settings of criminal law and procedure, police and correctional services.

The overreach of criminal law and its proclivity to lag behind the compulsions of social change are well known, but there are no significant indications of any sustained effort to overcome its inherent conservatism. There is perhaps no other institution which is more tradition-bound than criminal law with its unwavering faith in precedents and irrational sensitivity to change The coming decades will witness a spate of legislation, a process of acute criminalisation. In a situation of this nature, a suitable machinery has to be evolved to review the laws, orient them to the changing conditions and values and reduce the ever-increasing burden on the system. Such review and action have to be based on systematic research and evaluation which are conspicuous by their absence on the Indian scene. The scope, functions and working of the Law Commission have to be enlarged spectacularly to enable it to play a positive and constructive role in criminal law policy formulation.

[13]Rao, Venugopal S., "Contemporary Trends of Crime", Seminar on Perspectives in Criminology, Indian Institute of Advanced Study, Simla, 1978 Extracts taken from the author's forthcoming book *Crime in our Society*, Vikas, New Delhi.

The most important task of the criminal justice system in the coming decades is one of divesting itself of the responsibility for formal intervention in many areas of social relationships. It means a pragmatic separation of serious crime from minor offences and legal violations and eliminating the latter from the purview of formal judicial process. In short, it signifies selective processes of criminalisation and penalisation, *i e*, concentration of the system on more serious acts perceived as crimes from the angle of social harm and dealing with other forms of anti-social behaviour through alternative channels of conflict resolution—less severe sanctions, administrative action, and informal adjudication at community level.

In its present form, the judicial system is cumbersome, dilatory, expensive and even discriminatory The concern for the offender's rights and privileges is so disproportionately weighed in his favour that it has resulted in proliferation of technicalities which impede its effective functioning The dimensions and the nature of criminal activity in the ensuing years may not permit this legal luxury. The balance between individual rights and social justice is no doubt dependent on the political philosophy of the state, but we can reasonably anticipate the emergence of new organisational models in the system. The administration of criminal justice in India follows the Anglo-Saxon adversarial pattern in which the enforcement component (police) is reduced to the position of a party in dispute In such a system, procedural aspects of law are bound to dominate When crime and violence reach forbidding proportions and the criminal justice system is found to be inadequate in achieving social goals of equity and justice, changes in the system are inevitable. There may be vehement opposition to change, not the least from the legal and judicial profession itself which develops its own vested interests and prejudices, but the realities will be so compelling that society will be left with no alternative The Law Commission in its 47th Report, while accepting the gravity and pervasive nature of socio-economic offences in society, have suggested certain basic changes in the concepts of criminal law and observed :

> If legislation applicable to such offences, as a matter of policy, departs from legislation applicable to ordinary crimes in respect of the traditional requirements as to *mens rea* and other substantive matters as well as some points of procedure, the departure would, we think, be justifiable [14]

The trend is unmistakable; and even in regard to traditional offences like rape and exploitative practices against weaker sections, there is a swelling demand for replacement of the cumbersome Anglo-Saxon procedures by more pragmatic, expeditious and effective alternatives, and it appears almost

[14]The Law Commission of India, *47th Report on the Trial and Punishment of Social and Economic Offences*, 1972

certain that the Indian criminal justice system will veer round to an inquisitorial system of adjudication, with suitable adjustments.

Decriminalisation and procedurcal simplification are not the only reforms that can be anticipated The sheer burden on the system will compel decentralisation—an organisational reform with which we tinkered but did not have the political will to carry it to the logical conclusion. There has to be increasing recourse to administrative adjudication, on-the-spot disposal of minor offences and common man's courts at the grassroots level. Presenting the case for *nyaya panchayats,* Mr. Justice Krishna Iyer says:

> The great advantage of common man's courts at the panchayati level is not merely that it promotes accessibility to the institution of justice for the little man, the deprived and the neglected classes who are priced out of the judicial market and forbidden by the logistics of court-centred justice from reaching the institution, but also because of informality of the procedure [15]

Our experience with these courts has been mixed and grave doubts have been expressed about their viability and integrity amidst intense factionalism and casteism, but a people-oriented criminal justice system is bound to emerge from the compulsions of the future.

POLICE AND SOCIETY

The visibility of the police far exceeds that of the other components of the criminal justice system because it is the segment which provides to the majority of citizens their first contact with the system. Public attitudes towards law and social regulation are, therefore, moulded to a remarkable extent by the nature of police response and behaviour not only in crisis situations but also in day-to-day interactions The events of the seventies have exposed the major deficiencies of the police—politicisation, lack of social responsibility, and acute demoralisation. Many of the present ills of the police continue to be speciously attributed to 'colonical legacy', overlooking the dismal truth that over three decades the political and administrative leadership did little to restructure the organisation and equip it to cope with the demands and expectations of a society struggling to move from tradition and feudalism to modernity and socialistic pattern through democratic means The solutions were often sought in the numbers game, with an emphasis on the armed component The police-people ratio which determines the requisite level of policing in any society will certainly compel increases in manpower and the impact of science and technology will necessarily

[15] Iyer, Krishna, V.R , "Nyaya Panchayats in Retrospect and Prospect", in *Of Law and Life,* New Delhi, Vikas, 1979.

demand far-reaching innovations in communications, transportation, investigative techniques, laboratory facilities, data information systems, etc., but neither numerical increases nor technological inputs will make the police more acceptable and socially purposive unless it can combine its punitive role with the service function in an appropriate manner.

In a report prepared for the Fifth United Nations Congress on Crime Prevention and the Role of the Police it was said:

> Police planning is complicated by the delicate balance which it must strive to maintain while attempting to provide adequate protection that will help to preserve the climate of security without creating the feeling of oppressiveness and resentment of police authority which the intensification of its activity may arouse[16]

It is wishful to hope to achieve this balance without making courageous changes in the existing recruitment policies which we have inherited from the colonial past and to which we cling due to mental reservations that an enlightened police force may entail higher investments and may not be amenable to strict regimentation and discipline. The police system was thus designed on the basis of distrust and continues to function within that framework. Admittedly, checks and balances are necessary in any organisation which wields power, but in the Indian context, this concern was taken to the extremes of distrust which dominates and vitiates the system. One has only to go through the papers relating to the deliberations of the Police Commissions of 1861 and 1902 to recognise the unenviable position in which the policeman was placed and stigmatised. It was perhaps inevitable in the context of the times in which the police system was evolved by the British, but precious little was done after independence to rectify this glaring deficiency. In the obsessive commitment for discipline, the need for participatory management, which is so essential for large organisations dealing with human behavioural problems, was totally neglected.

The constabulary constitutes more than 92 per cent of the police force in the country; and yet, the individual constable's contribution to the system is not sound. This is a harsh thing to say in the light of the many sacrifices he makes and the deplorable conditions in which he works, but it is true enough. In the police organisation, the human element is the most critical resource which is subject to extreme pressures and tensions. If the police organisation has to play a socially purposive role in the criminal justice system, the constable who holds a key position in the hierarchical structure must be entrusted with higher responsibility. It means the emergence of a new type of constable [illegible] carry himself with dignity, authority, self-

[16]United Nations, "T[illegible] cial Consequences of Crime: New Challenges for Research and Planning [illegible] for the V UN Congress on C[illegible] and Treatment of Offend[illegible]

respect and social acceptance. Hopefully, the coming years will find the man and fit him appropriately into an organisational model which can cope with the complexities of rising crime and social change. The constable can no longer be a mere symbol of law; he has to be a true representative of law, vested with adequate operational responsibility, administrative discretion, and social status The difficulties in effecting a change of this magnitude are not minimised, but it is a reform which can no longer be postponed if the credibility of this vital component of the criminal justice system has to be established.

ALTERNATIVES IN PUNISHMENT

Having adopted the Anglo-Saxon pattern of criminal justice for our society, our innovations and reforms in relation to the treatment of offenders have been linked invariably to western experience. Whether it is juvenile justice, probation, parole or other diversionary practices, the linkage is obvious, but unfortunately, the new correctional panaceas have not registered noteworthy successes and some had even to be discarded demonstrating the limits of correctional reform against the backdrop of the etiology of crime

Death penalty and incarceration are the major responses to crime even today. The debate on capital punishment will go on for many years to come, and I do not wish to enter into it in this particular context because, considering the numbers involved, its relevance to the criminal justice system from an operational angle, is questionable. One can, however, foresee that there will be gradual and increasing predisposition to turn away from this extreme form of punishment.

The prison, as the major institution of punishment, has also been with us from time immemorial. The system is primarily oriented towards confinement of dangerous offenders *as* punishment and their isolation *as* a strategy for social protection The prison system was developed on the basis of rationalist assumptions regarding the control of human behaviour. During the last hundred years; there has been a significant shift from punishment to correctionalism and a series of efforts were made to convert prisons into institutions for correction and rehabilitation of offenders. That these efforts have not registered the anticipated success is now recognised. The conditions in prisons reflect the general failure and breakdown of correctional ideology —not because there was something wrong with the ideology, but because the conditions in the prisons, however improved, can never be conducive to reformation with security control as the dominant element of pirson administration. Writing on the 'uncivilised and inhuman' conditions in British prisons, Peter Jenkins reported recently:

The crisis in the prisons goes deeper than overpopulation of rotting

Victorian jails. The prison service has lost its purpose and imprisonment itself stripped of its moral rationalisation.[17]

The recent exposures in Tihar jail in Delhi and the reports of various jail reform committees bespeak of the conditions of human degradation in Indian prisons. The malpractices, corruption and filth of the jails emerge from brutalisation of the service which has to deal constantly with a set of people who have to be 'controlled' in closed settings.

It is difficult to foresee even by stretching our imagination that the coming years will make the prisons really correctional. It is doubtful if any society can do it. There were no utopias yesterday and there will be none tomorrow.

Whatever may be the views of contemporary penologists who would like to do away with prisons, imprisonment will continue to be the sheet anchor of all societies because it is the only means of isolating dangerous criminals whose segregation is a social necessity. I think we should be clear in our mind as to the purpose and functioning of the prisons without burdening them with correctional philosophy. It is for this reason that there must be minimal inputs of offenders into the prisons, restricted only to those whose liberty is a menace to others. For the rest, alternative avenues of rehabilitation and correction have to be explored. This is not to say that conditions in prisons should not be improved. The need for restructuring and reforming them from a purely humanitarian angle is obvious, but it must be recognised that the process of rehabilitation of offenders, if it is to succeed, must be attempted outside the prison setting The answer is diversion from the prison If devised on the basis of proper research and prior evaluation, some degree of success can be anticipated in this area Regardless of the success of diversionary programmes, correctionalism must be taken out of the prisons and brought into open even if it implies some amount of enhanced threat, a risk which the emerging society will perhaps accept. By the end of the century, one may reasonably expect a higher 'tolerance level' of crime

CONCLUSION

I have attempted a broad projection of the probable dimensions of crime and identification of the major areas where restructuring of the system appears inevitable as a corollary to the compelling demands of the future No doubt, they may take different forms and directions depending upon the emerging political philosophy at the turn of the century. Cross-cultural studies have generally suggested that incidence of crime and violence in homogeneous societies is low and the problems of crime control are far

[17]Jenkins, Peter, *Manchester Guardian Weekly*, 1980.

simpler in totalitarian states.[18] It is, therefore, not merely control of crime but effective control within a democratic framework which poses a serious challenge to our political system. As pointed out by Newman: "We have to take steps to prevent crime, but we cannot take steps to chill fundamental freedoms."[19]

In conclusion, we come back to the basic failure of the criminal justice system. It lies in its functional fragmentation which negates unity of purpose and action. Criminal law reform, organisational restructuring, optimisation and enhanced allocation of resources, induction of managerial expertise in each of the segments make up only one part of criminal justice planning for the future. They will be of little avail if the system continues to be divided against itself. There is presently little coordination among the police, judicial and correctional services although changes in one have far reaching effects on the role and performance of other components. A National Police Commission is labouring hard to bring about much delayed reforms in the police; a high-power committee has been constituted to go once again into the problems of jail reform; and there is a lively debate on revitalising the courts. All this is to the good, but falls very much short of comprehensive and integrated planning for the system as a whole. Not only each part of the criminal justice system has to be reexamined in relation to the needs and goals of the total system for the anticipated future. but as stressed by Schneider and Foster, "plans must be formulated for a variety of alternative futures" as well[20]

□

Human Influence on Prosperity

It has long been recognised that the qualities of a nation's people have an important influence on its prosperity and growth. This is not simply because better labor adds to output in the passive way that, say, more fertilizer or better machinery does. It is also because human beings are the source of ideas, decisions and actions on investment, innovation and other opportunities.

—*World Development Report, 1980.*
The World Bank, Washington.

[18]Clinard, Marshall and Abbott, Daniel, *Crime in Developing Countries,* 1973.

[19]Newman, D J., "Issues of Organization, Process and Reform", *American Behavioural Scientist,* Vol. 22, No 6, 1979.

[20]Schneider, R. and Foster, R , "Planning and Decentralization", in *Criminal Justice Planning and Development,* ed. A.W. Cohn, 1977.

Emerging Needs in Forestry Management

Kamla Chowdhry

THE FIRST national forest policy formulated in 1894 was specially designed for reservation of valuable timber forests After independence, in 1947, the policy was revised. Besides maintaining the national forest assets, the policy statement mentioned checking erosion in mountainous regions, containing the Rajasthan desert, and ensuring sustained supply of timber and other forest produce required for defence, communication, industry. National self-sufficiency of vital forest supplies was one of its aims.

The various five year plans also accorded high priority to production forestry as well as to community forestry. The First Five Year Plan (1951-56) document mentioned, "we accord high priority to protecting and extending village plantations of fuelwood and fodder species on suitable waste-lands in selected localities " The Third Five Year Plan (1961-64) provided for a scheme for farm forestry and fuelwood plantations.

The National Commission on Agriculture, appointed by the Government of India, to review various activities in agriculture, forestry, fisheries, etc , stated in its strategy for forest development that:

> the first element of the strategy would have to be production forestry for industrial wood production. , the second element of the strategy would be the widespread adoption of the practice of social forestry—forestry aimed towards growing and meeting the future fuelwood, small timber, and fodder needs of rural communities [1]

On several occasions the prime minister herself has urged the State Governments and Union Territories for undertaking a massive programme of social forestry The memorandum[2] from the Ministry of Agriculture states :

> The Prime Minister has desired all State Governments and Union Territories administrations to launch planned campaigns for massive plantation

[1] *Report of the National Commission on Agriculture*, 1976, Part IX, Forestry.

[2] No 3-1/80-FRY (FD), dated May 15, 1980, from the Ministry of Agriculture (Department of Agriculture and Cooperation), Government of India, New Delhi.

of trees in the drought affected States. This should comprise arranging nurseries, digging of trenches, pits, boundary walls, etc., for afforestation. The campaign should be given high priority in the food-for-work scheme. Enhanced targets for plantation in the degraded areas of the reserved and protected forests as also on community lands, canal sides and road sides, etc , should be taken up on the onset of monsoon in continuation of the scheme of employment.

More recently, while inaugurating a meeting of scientists and science administrators convened to discuss the science and technology component of the new five year plan, the prime minister said that swift scientific efforts were needed to develop renewable sources of energy to reduce the country's dependence on fossil fuels and to help safeguard the country's environment.[3]

The unchecked loss of forest cover over vast areas is the biggest threat to the ecological balance in the region. The consequences of deforestation and denudation are indeed serious beyond comprehension. Studies of 17 major reservoirs in India have revealed that they are silting up at three times the expected rate largely because of the deforestation of upstream areas In the Himalayan regions faulty land-use patterns, the opening up by a network of roads not all of which are necessary or well aligned or with proper cross-drainage, have removed the protective vegetative cover and have brought whole stretches of hillsides and villages crumbling down in continuing slides These so called 'development' measures have set in motion the drying up of springs, loss of fertility of land, migration of able bodied men and womenfolk condemned to a life of increasing poverty and drudgery trapped as they are in a vicious circle of economic deterioration and environmental degradation The decades of neglect have fanned movements such as the Jharkhand movement.

The uncultivated and neglected lands are variously described as permanent fallow, village, panchayat, 'revenue,' 'peramboke,' 'katti' wastelands, and protected and reserved forests. Through long history of land settlements and uses these lands have become predominantly common use and collective interest These lands, if productively utilised, are the greatest untapped natural resource in India, which will benefit the rural and tribal poor.

Whether the rapid deterioration of such areas is due to pressure for increased foodgrain production, expanding population, a lack of interest in such problems by the foresters, or because forest destruction and subsequent environmental deterioration is a gradual process is really not important. What is important is to recognise that waste land management has become one of India's most critical matters It is also getting clear that the battle of rural poverty lies in discovering how to manage the interrelated renewable

[3]*Times of India*, August 3, 1980.

natural resource systems of these rural areas so as to maximise the sustainable output of goods and services.

If we include the upstream and downstream effects, the welfare of more than half, the poorer half, depends on the revitalisation of these common degraded lands

THE IMPLEMENTATION GAP

In spite of government policy, the various five year plans, and the high political support, deforestation has increased to alarming proportions. According to the Central Forestry Commission forests in India occupied about 74.8 million hectares in 1970-71. According to agricultural statistics, however, the area under forests at that time was only 66.0 million hectares A recent estimate of the area actually tree covered is scarcely over 30 0 million hectares. It is also generally agreed that forest area in community and panchayat lands is in an advanced stage of deterioration It seems therefore that deforestation has proceeded at a much faster pace than official reports would indicate This is true not only of India but in some of our neighbouring countries as well. Satellite photographs show that only 12 per cent of the once lush island of Java is left with tree cover and in the Philippines forest cover is less than 20 per cent and not 33 to 50 per cent as commonly assumed In Pakistan although 8 25 million hectares are classified as forest and range lands, only 2 6 million hectares are actually wooded. The destruction of forests in Nepal is taking place at such a rate that the country is likely to be all but totally denuded by the end of this century.

As the role, size and complexity of forestry tasks increase, so do the problems of implementation. The change from a conservation orientation to one of intensive management aimed at producing large quantities of industrial wood from man-made forests, on the one hand, and the widespread adoption of social and community forestry, on the other, raises serious questions regarding the selection, training and development of forest officers There is also the need to consider appropriate organisation structures for the new tasks

For producing large quantities of industrial wood and setting up forest based industries, the government set up state forest development corporations—public corporations—designed to carry out a variety of new tasks ranging from large-scale clearing and planting schemes accompanied by intensive management, to establishing and operating various wood based industries, including large industrial complexes requiring very high capital investment With the possible exception of plantation establishment, these are all tasks for which Indian foresters receive little training and in which they have no experience Fortunately, foresters themselves are recognising that biological and administrative skills pertinent to conservation-oriented

forestry of past decades are no longer sufficient and that the move into production forestry calls for a far different level and kind of managerial competence.

Economic research on Indian forestry and forest product problems is in its infancy Little is known, for example, about the organisation of existing domestic markets for construction materials or fuel-wood, about species preferences in either domestic or international markets, about economic demand or supply of any forest product or raw materials, or even about quantities presently produced or consumed. Prices for most forest based materials (saw logs, plywood logs, bamboo, fuel-wood, pulpwood, etc.) have been, for the most part, administratively determined, and wide discrepancies exist between prices charged for identical materials from the same forest and delivered to the same point. Harvesting and transport costs and their variation with methods used have had virtually no study. Land and corporate taxation and its impact on both land and timber management needs careful investigation. Sales methods for both raw materials and primary products need study if appropriate procedures are to be devised. Economic rotations under varying conditions of site, location, species, or labour cost have yet to be worked out. Employment potentials of various forest management systems or forest-based industries have had little or no study.

The research and training facilities at the Forest Research Institute at Dehra Dun need to be reviewed in the light of the emphasis on production forestry and social community forestry. The two-year training programme teaches the scientific and administrative aspects of forestry, but the curriculum is weak in subjects such as economics, management and marketing. Especially for greater understanding and management of social forestry projects, the foresters would need to learn about tribals and rural development and strategies leading to participation of local communities. The instructors in the forest college are on deputation from State forest departments for 2 to 5 years and they teach as they were taught. The system is designed for continuity, not innovation.

If the 'Strategy for Forest Development' as outlined in the report of the National Commission on Agriculture is to be implemented and results achieved, a serious review of the forestry sector in the country needs to be undertaken. The potential contribution of the forestry sector to employment, income-generation, tribal and rural welfare, ecology, wood-based industrial growth, political stability (Jharkhand) are so significant that clarity of priorities, organisational mechanisms, systems of selection and training of foresters and those who are to man the forest corporations and the community forestry programmes need to be urgently undertaken.

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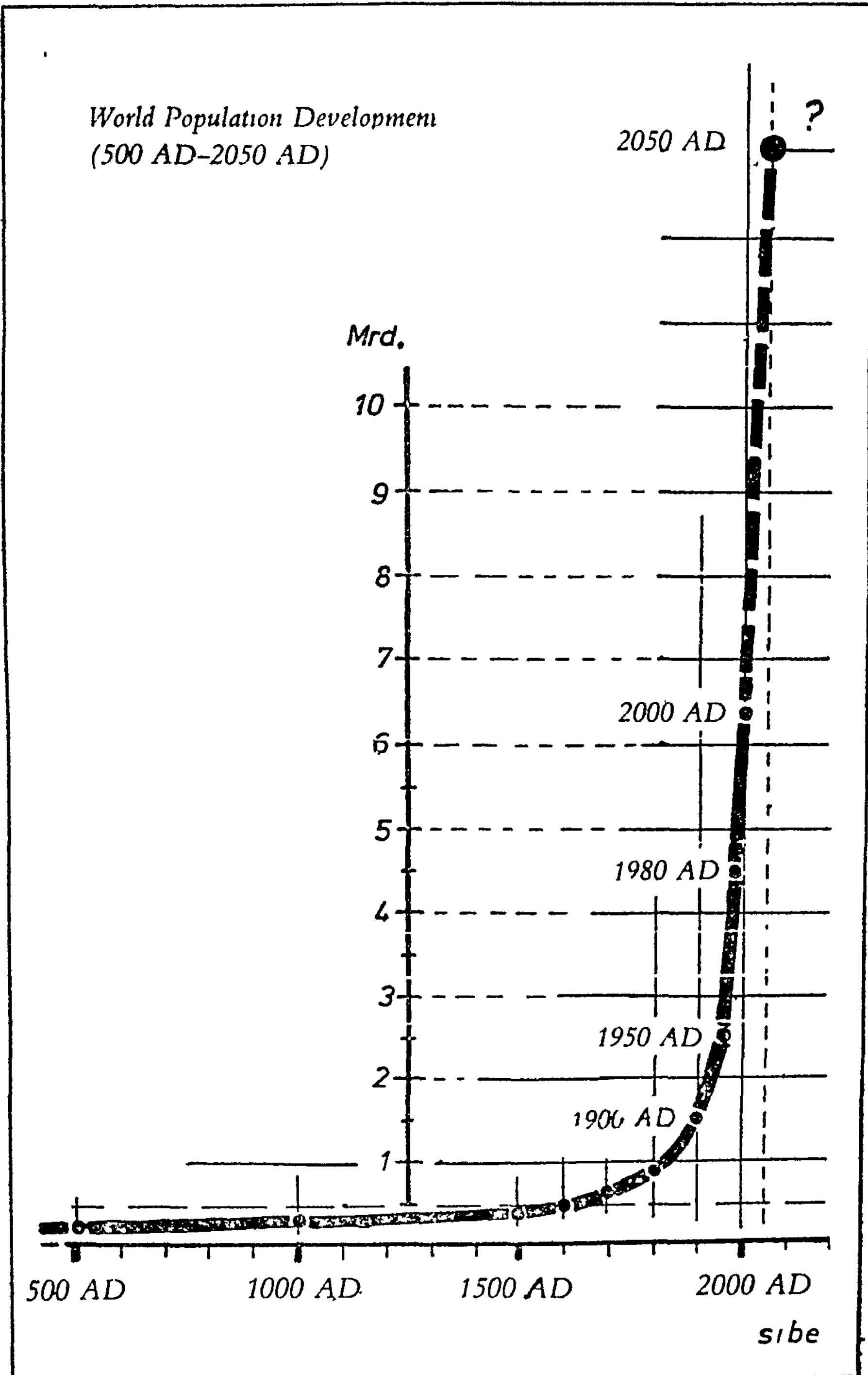
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Administration of Labour Laws in India in the Coming Decades

A.M. Sarma

THE SWEEPING character of the transition from a simple agricultural set-up to a complex urban industrial society has made considerable impact on labour legislation in India. There were a number of events after World War I which greatly influenced labour legislation in our country. The progress of labour legislation after independence has been quite remarkable. The Constitution of India enshrines the concept of social justice as one of the objectives of the state, which it seeks to achieve through labour legislation The parliament as well as the different State legislatures have passed a number of Acts relating to labour welfare and settlement of industrial disputes. In the central sphere various Acts have been enacted for different categories of workers like motor transport, mines, plantations, etc. The passing of various social security legislations like the Employees' State Insurance Act, The Provident Fund and Miscellaneous Provisions Act, The Maternity Benefit Act, The Payment of Gratuity Act, etc., reveal a new progressive trend in labour legislation. But the aim should be not to increase the number of labour laws but to lay down greater emphasis on their proper implementation and enforcement by the parties concerned. This paper aims to review the present working of some important labour laws and suggests certain measures for their proper administration

A REVIEW OF THE EXISTING LABOUR LAWS

Some of the important labour enactments of our country could be classified broadly into the following five groups:

(*a*) *Legislation on Working Conditions:*
- (*i*) The Factories Act, 1948;
- (*ii*) The Plantation Labour Act, 1951;
- (*iii*) The Mines Act, 1952; and
- (*iv*) The Contract Labour (Regulation and Abolition) Act, 1970.

(*b*) *Legislation on Wages*
- (*i*) The Payment of Wages Act, 1936;

(ii) The Minimum Wages Act, 1948; and
(iii) The Payment of Bonus Act, 1965.

(c) *Legislation on Industrial Relations:*
(i) The Trade Unions Act, 1926;
(ii) The Industrial Employment (Standing Orders) Act, 1946; and
(iii) The Industrial Disputes Act, 1947.

(d) *Legislation on Social Security*
(i) The Workmen's Compensation Act, 1923;
(ii) The Employees' State Insurance Act, 1948;
(iii) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
(iv) The Maternity Benefit Act, 1961; and
(v) The Payment of Gratuity Act, 1972.

(e) *Legislation on Employment and Training.*
(i) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and
(ii) The Apprentices Act, 1961.

The Factories Act, 1948

The Factories Act, a comprehensive piece of legislation, contains many important provisions regarding health, safety, welfare, employment of young persons and women, hours of work for adults and children, holidays, leave with wages, etc The responsibility for administration of this Act rests with the State Governments who administer it through their own factory inspectorates. Although the rules made by different State Governments are more or less uniform under the Act, the extent of their implementation varies depending upon the number of factories and their respective strength. The following are some of the important suggestions for effective enforcement of this vital piece of legislation. (*a*) The strength of the present factory inspectorates in different States should be increased. Not only the number of inspections but also their quality should improve. The frequency of inspections should be evenly spread over as far as practicable (*b*) There should be close cooperation between inspection service and the employers and workers. (*c*) The inspectors should be provided with higher status, better emoluments and attractive service prospects if the inspection service is to deliver the goods. (*d*) Rigorous steps should be taken for the medical examination of employees engaged in dangerous operations by the medical inspector of factories and/or certifying surgeons covered under the State rules. (*e*) Strict deterrent action should be taken for non-compliance with the different provisions of the Act against the employers.

In future, the inspection services have to face not only the increase in the number of factories, but also the challenges and evils of large scale industrialisation that have adversely affected industrial health, hygiene and safety of the workers.

The Plantation Labour Act, 1951

The National Commission on Labour (NCL) observed that disparities exist, even within the same region, in the standard of medical facilities to plantation workers. For this purpose, the State Governments should prescribe a list of drugs, medicines, equipments for the hospitals. Suitable arrangements need to be made for detection and treatment of occupational diseases among plantation workers. Priority should also be given to family planning programmes. State Governments should ensure that facilities for education of children of plantation workers are provided by the employers.

The Mines Act, 1952

This Act is intended to amend and consolidate the law relating to the regulation of labour and safety in mines. It provides for the appointment of a chief inspector of mines and inspectors of mines by the Central Government to examine and enquire into the state and condition of any mine and all matters connected with or relating to the health, safety, welfare, hours of work and limitations of employment of the persons employed therein. The director general of mines safety is entrusted with the responsibility of enforcing the Mines Act in mines other than coal mines. The Central Government has set up statutory labour welfare funds for the coal mines, mica mines, iron ore mines and limestone and dolomite mines in order to provide housing, medical and other welfare amenities to the miners and their families. Tripartite advisory committees have been formed to advise the Central Government on such matters relating to the administration of welfare funds constituted under different Acts The Central Government has also appointed welfare commissioners, welfare administrators, inspectors and other officials for the purpose of implementing the Act.

The Contract Labour (Regulation and Abolition) Act, 1970

The statement of objects and reasons placed by the Central Labour Minister before the Lok Sabha, while introducing the Bill, reads as under:

> The system of employment of contract labour lends itself to various abuses. The question of its abolition was under consideration of Government for a long time In the Second Five-Year Plan, the Planning Commission made certain recommendations, namely, undertaking of studies to ascertain the extent of the problem of contract labour, progressive abolition of the system, and improvement of service conditions of contract labour where the abolition of it was not possible. The matter was discussed at various meetings of Tripartite Committees at which the State Governments were also represented and the general consensus of opinion was that the system should be abolished wherever possible and practicable, and that in cases where this system could not be abolished altogether, the working conditions of the contract labour should be

regulated so as to ensure payment of wages and provisions of essential amenities.

The Act has not made much headway towards abolishing contract labour. The contract workers for whose benefit this legislation has been enacted, have gained very little out of it. There is no substantial change in their working conditions, in employment, and, in many cases, even in their wage level. The Act has not made any provision for granting permanency of service to contract labourers who have put in a certain period of service. This Act is likely to be amended to make it obligatory for employers to absorb all contract labour in industries where it has been abolished The amendment will seek to prevent laying-off of contract labour when employers resort to mechanisation in such industries This was stated recently by the Union Minister for Labour, Shri T Anjiah, while inaugurating the 13th meeting of the Central Advisory Contract Labour Board. The Board had recommended that contract labour should also be abolished in iron ore mines for raising and cleaning operations. The Minister pointed out that the idea behind abolition of contract labour was to eliminate middlemen so that workers could get their full share of the wages. Further, it was necessary, that all such workers were absorbed permanently in their own industries if the purpose of the Act was to be served He also felt that the enforcement of the Act was rather slow.

The Payment of Wages Act, 1936

The Payment of Wages Act ensured the payment of wages to the workers on the fixed date, applied curbs on the fines and arbitrary deductions, created machinery for its enforcement and laid down penalties for contravention of its provisions. All the above measures have helped to ensure a fair deal to workers and saved them from victimisation Necessary amendments should be made in the Act to grant check-off facilities to the recognised union. By and large, the Act has been implemented in its true spirit by most of the employers Yet there is some scope for its effective enforcement by the State Governments, particularly in the unorganised sector. One of the most effective ways of ensuring implementation of this Act is through creating an awareness of the provisions of the Act among the workers

The Minimum Wages Act, 1948

It provides for statutory fixation of minimum rates of wages by the Central or State Governments within a specified period for workers employed in certain scheduled employments. All the States have fixed minimum wages for employments enumerated in Part I of the schedule of the Act These rates vary from State to State, area to area and from employment to employment Over the years, many State Governments have extended the Act to some more employments not covered under the schedule of the Act But

such extension of the coverage has brought in its wake certain difficulties in enforcing the Act in certain scheduled employments and in agriculture where the workers are usually unorganised and sweated labour is common. Diffused and unorganised nature of the industries covered under the Act, illiteracy and ignorance of the workers, their helplessness due to mass unemployment and underemployment are the various difficulties in the proper enforcement of the Act. An indirect advantage of the Act has been in the shape of standardisation of wages and pushing up of general wage level in the unorganised sector. This has tended to improve the standard of living, working conditions, hours of work, etc., of workers in their respective employments The utility of the Act can be further enhanced by proper administration, enforcement and implementation. The minimum wages must be rationally fixed, strictly enforced and implemented in proper spirit by the employers There is no separate staff under the Act in most of the States and none in the Central sphere. The officials in the State labour department look after the work in addition to their own duties. In certain cases the time taken to fix and revise minimum rates of wages is inordinately long and it has not kept pace with the rising cost of living.

The Payment of Bonus Act, 1965

The Bonus Act, by and large, has not helped in solving bonus disputes or in maintaining industrial peace Lot of thinking has gone into its various aspects including coverage, applicability, amount of bonus to be paid, including the present minimum and maximum limit, etc. Under the presidential ordinance promulgated on August 21, 1980 all industrial workers will be paid a minimum bonus of 8 33 per cent of their annual wages, the same as in the past 3 years It also retains the maximum at 20 per cent As usual, all wage-earners in the industrial sector getting upto Rs. 1,600 will be entitled to bonus. But the maximum payment in terms of the ordinance will be computed on the basis of annual wages of Rs. 9,000. Bonus will have to be paid by all industrial establishments whether there is allocable surplus or not Also any agreement between employers and employees on linking bonus with production or productivity or as a form of profit sharing will not bar the minimum payment fixed under the ordinance It does not cover departmental undertakings like those of the railways and the posts and telegraphs The formula of linking bonus with productivity, settled between the government and the concerned unions, has to be followed in such establishments Banking companies and the Industrial Reconstruction Corporation, however, remain within the purview of the Payment of Bonus Act. In its key provisions, the ordinance thus makes no departure from the bonus formula followed hitherto But it would no longer be a year to year decision but a permanent feature which will be through a parliamentary enactment replacing the ordinance.

The Trade Unions Act, 1926

Under the existing Trade Unions Act, any 7 persons can form a trade union. Anyhow, this is to be amended in order to discourage multiplicity of trade unions. The 31st Conference of the State Labour Ministers recommended that the Trade Unions Act should be suitably amended to increase the minimum membership necessary for registration from the present number of 7 persons to 10 per cent of the number of workers in a factory or establishment subject to a minimum of 10 persons and a maximum of 100 The provisions of the Act should also be extended to the workers engaged in the rural sector In addition, suitable amendments should be made regarding the number of outsiders in trade unions and the rights and obligations of a registered trade union The agricultural organisations, which are on an increase, may impose additional responsibility on the registrar of trade unions If the suggestion relating to statutory recognition of trade unions as a sole bargaining agent is accepted at the central level, the State Government's machinery has to determine the most representative character of the competing trade unions on mutually acceptable basis—either by verification or by secret ballot

The Industrial Employment (Standing Orders) Act, 1946

The basic role of the standing orders is to eliminate any ambiguity in employment conditions and thereby reduce possible friction between the employer and his employees The object of the Act is to require employers to define precisely the conditions of service of workmen employed in the industrial establishments and to make such conditions known to the workmen employed therein and to regulate the conditions of recruitment, discharge, disciplinary action, holidays, shift working, etc , of the workers The administration of the Act is the responsibility of the Central Government in respect of industrial establishments under the control of the Central Government or a railway administration or in a major port, mine or oil field. The State Governments are responsible for its administration in respect of the remaining establishments.

The workers who are mostly illiterate and unorganised require the protection of the Act more urgently than the organised workers employed in larger units The scope of the Act should, therefore, be extended to all establishments employing 20 or more workers. In view of the criticism that the present industrial relations machinery leads to excessive reliance on government for settlement of disputes and that it mars initiative of the concerned parties, it is desirable to take away the issues covered under the standing orders from the scope of statutory settlement. For this purpose a joint bi-partite machinery at the plant level may be constituted

The Industrial Disputes Act, 1947

At present, the much talked about industrial relations law, in addition

to removing various drawbacks in the existing Industrial Disputes Act should also provide certain positive guidelines for statutory redressal of grievances and for workers' participation in industry at various levels. A commonly acceptable and practicable model in the above areas is to be laid, by the Central Government, before the State Governments for necessary implementation

The 31st Conference of State Labour Ministers suggested that a provision be made in the Industrial Disputes Act for referring all inter-union and intra-union disputes to the labour courts or tribunals. The reference may be made both by the union or by the government. A major recommendation with regard to labour courts was that they should be empowered to enforce their own decisions. It was also agreed that the labour courts or tribunals should give their decision within three months, unless there was sufficient justification for the delay. In such cases, the reasons should be recorded But under no circumstances should the extension be beyond two months.

One of the main factors which acts as a hurdle for maintenance and promotion of industrial peace at present is the increasing resort to adjudication machinery in preference to voluntary arbitration and conciliation. The State Governments should take all necessary measures to encourage settlements of disputes through voluntary arbitration and conciliation. There should be a clause in every settlement and agreement for reference of disputes, arising over their interpretation or violation, to arbitration. It should also provide that there will be no strike or lockout over the question of interpretation of collective agreements. It is not out of the way to suggest that voluntary reference of certain disputes to arbitration should be made compulsory and the award of the arbitrator/s would be binding on the parties concerned Each State Government should draw up a panel of arbitrators with necessary professional qualifications and experience and the State Government departments concerned have to be fully equipped for enforcement of the various awards given by them.

The existing industrial relations machinery has certain weaknesses like the delays and expenditure involved in the settlement of disputes, the largely ad hoc nature of the machinery and the discretion vested in the government in the matter of reference of disputes to adjudication There is no means of finding out the views of the workers in case of any direct action because there is no provision for a strike ballot prior to serving a notice of strike It is now increasingly felt in certain circles that there is too much intervention by the government machinery which prevented creation of a proper atmosphere for meaningful collective bargaining But to quote the NCL : "The requirements of national policy make it imperative that state regulation will have to co-exist with collective bargaining." However, it has recommended for a shift in emphasis in favour of collective bargaining.

The Workmen's Compensation Act, 1923

The object of the Act is to impose an obligation upon employers to pay compensation to workers for accidents arising out of and in the course of employment, resulting in death or total or partial disablement for a period exceeding 3 days. The Act is administered by the State Governments who are required to appoint commissioners for workmen's compensation The functions of the commissioners include: (*i*) settlement of disputed claims; (*ii*) disposal of cases of injuries involving death; and (*iii*) revision of periodical payments. They have also been empowered to impose penalty on employyers who fail to pay compensation within one month from the date it fell due. The working of the Act reveals several shortcomings particularly in small undertakings and in mofussil areas, where the employers try to avoid payment of compensation to the workers. In bigger companies minor injuries usually go unreported. The NCL has suggested that a scheme of central fund for workmen's compensation may be evolved. All employers should pay to this fund a percentage of total wage as monthly contribution to cover the cost of the benefits and administration. The fund should be controlled by Employees' State Insurance Corporation.

The Employees' State Insurance Act, 1948

It is a pioneering piece of legislation in the field of social insurance. Under the Act, the various benefits provided to the employees are: (*i*) sickness benefit and extended sickness benefit; (*ii*) maternity benefit; (*iii*) disablement benefit; (*iv*) dependants' benefit, (*v*) funeral benefit, and (*vi*) medical benefit. All the benefits are provided in cash except the medical which is in kind. The administration of the Act has been entrusted to an autonomous organisation called the Employees' State Insurance Corporation The director general is the chief executive officer of the Corporation.

The scheme neither covers all risks nor is it applicable to all the working population. Agricultural workers and self-employed persons are not covered under the Act. There are certain difficulties in the implementation of the scheme. The medical care and hospital facilities available under the scheme are quite inadequate. Therefore, the Corporation should give more attention for all round improvement of the medical facilities and establish more dispensaries and hospitals of its own for the benefit of the insured employees and their families.

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The employees' provident fund organisation is in charge of three important schemes, *viz*, the employees' provident funds scheme, the employees' family pension scheme and the employees' deposit-linked insurance scheme. These three schemes are administered by a tripartite board of trustees. The central provident fund commissioner is the chief

executive officer of the organisation and secretary to the central board of trustees. He is assisted by regional provident fund commissioners and inspectors at the State level. The provident fund organisation has to gear up its administrative machinery to give wider coverage to the scheme which is likely to be extended to establishments employing less than 20 persons.

The total amount of provident fund contribution in arrears amounted to Rs. 22.54 crores by the end of September 1979. The NCL observed that "the recovery of arrears of the provident fund is posing a problem to the administration." So the percentage of increase in defaulting factories not paying provident fund contribution needs to be checked effectively. Strict enforcement of the Act and deterrent penalties in respect of habitual and economically sound defaulters should be resorted to. At any cost, the provident fund organisation has to realise the provident fund arrears from the defaulting employers

The Maternity Benefit Act, 1961

The maternity benefit schemes are primarily designed to provide full wages and security of employment to female workers immediately before and after the confinement They enable a woman worker to get maternity leave with full wages for 6 weeks before and 6 weeks after pregnancy. The Government of Bombay passed the Maternity Benefit Act way back in 1929. Many State Governments have enacted maternity benefit legislations for the benefit of female employees as a result of the recommendations of the Royal Commission on Labour (1929-31). With a view to reducing disparities in the different Acts, the Central Government enacted the Maternity Benefit Act in 1961 making it applicable to every establishment, be it a factory, mine or plantation except those factories or establishments to which the provisions of ESI Act apply. The factory inspectorates of respective State Governments are in charge of administering the Acts. However, the Central Maternity Benefit Act is administered by the coal mines welfare fund so far as coal mines are concerned. In case of mines other than coal, the director general of mines safety is responsible for its enforcement.

The Payment of Gratuity Act, 1972

This Act came into force on 16th September, 1972 The Act applies to (*i*) factories, mines, oilfields, plantations, ports and railways; (*ii*) all shops and establishments employing 10 or more workers, and (*iii*) other enterprises employing 10 or more employees. Under the Act, all employees, who have rendered a minimum of 5 years' continuous service in the above-mentioned establishments, are entitled to gratuity at the time of superannuation, retirement, resignation, death or if they leave their job due to accident, disease or disablement. If the employment is terminated due to death or disablement, the condition of 5 years' continuous service is waived off. Under the Act,

the employers are required to pay gratuity at the rate of 15 days' wages for every completed year of service subject to a maximum of 20 months' wages. The appropriate government (Central or State) may appoint a controlling authority who will be responsible for the administration of the Act.

Integrated Social Security Scheme

A vast majority of labour force in the unorganised and agricultural sector is beyond the benefits of organised social security schemes. Therefore, necessary social security measures should be extended to agricultural workers and self-employed persons All social security schemes meant for industrial employees may be brought under the cover of a single administrative agency. The NCL recommended a comprehensive integrated social security scheme through which it should be possible over the next few years to take care of certain risks not covered at present The aim should be to pool all the social security collections into a single fund from which different agencies can draw upon for disbursing benefits according to needs

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

Under the Act, it is obligatory on the part of the employers to notify vacancies occurring in their establishments to the prescribed employment exchanges before they are filled But there is no compulsion to fill the vacancies through the employment exchanges except so far as vacancies in the Union and State Governments are concerned The administration of the Act rests with the State Governments who submit quarterly reports on the working of the Act to the Union Government The employment exchanges play an important role for the job-seekers and it was intended to facilitate this role. The NCL noted that employment exchanges were used by very few private employers though they had large recruitment requirements The operations of the national employment service should be extended to rural areas also and its administrative set-up should be so structured as to meet the increasing labour force needs and the changing pattern of the economy

The Apprentices Act, 1961

It was enacted to supplement the programme of institutional training by on-the-job training and to regulate the training arrangements in industry. Under this Act, it is a statutory obligation on all employers in the notified industries to engage apprentices as per the ratio prescribed for the designated trades. The implementation of the programme has two distinct administrative aspects, *viz.*, (*i*) to control and regulate the training, (*ii*) to implement the scheme by survey and follow up The Central Government has set up a central apprenticeship council, an advisory body, for the purpose of advising it on the training policies, standards to be attained, course contents, etc. Tripartite apprenticeship councils are also constituted for the States on the same lines as that of the central apprenticeship council. For

the promotion and implementation of the apprenticeship programme, four regional directorates of apprenticeship training have been established, each under the charge of a regional director-cum-regional apprenticeship adviser. All State Governments and Union Territories have also appointed state apprenticeship advisers. The NCL recommended that the State Government should place its apprenticeship organisation under the department of labour in order to have a unified approach and better collaboration between employment and training.

In many cases the managements utilise the apprentices as unskilled workers to get their work done. Investment in apprenticeship training is regarded by some of the employers as non-productive. The need and importance of the scheme should be impressed upon the managements through constant dialogues, regional seminars, meetings, etc , to enlist their wholehearted cooperation in the implementation of the Act The concerned authorities should undertake extensive and intensive surveys to assess the availability of training facilities in various trades. The identified training facilities should be fully utilised and efforts will have to be made for a wider coverage of technical and commercial trades and expansion of training facilities to meet the requirements of the industries.

TO SUM UP

The importance of proper labour administration and implementation of labour laws has been duly emphasised in all the five-year plans. Various agencies at the State and Union levels and statutory corporations and boards have been set up for this purpose However, the expansion of administrative machinery has not kept pace with the growth of labour enactments and with their extended coverage. Therefore, priority should be given in future for strengthening the administrative machinery of the Union and State Governments In future, the Union and State labour machinery's work will increase with the steep rise in the number of industries, workers and industrial disputes Their scope of intervention in enforcement of labour laws may become greater. In such a case, it must be ensured that their duality of powers in the administration of certain labour enactments may not result in jeopardising the industrial relations situation. If properly implemented, the various Acts mentioned above would be able to serve as a useful tool to promote social and economic justice among a large number of workers employed in the organised and unorganised industrial sector in our country.

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Civilization's Options

Man, by the scientific understanding of nature and its laws, can manipulate the physical world to his advantage The systematic application of this insight has made the life of the average citizen better over the past three centuries, by standards the overwhelming majority of mankind would accept It has also yielded Faustian dangers · in the weapons created, the greater ease of reducing death rates than birth rates, the pollution of air and water, and the old mercantilist temptation to make science and technology an instrument for a narrow national pursuit of profit and power. These dangers have already distorted the paths of economic and social progress. They could destroy us But it is also possible that the benign side of the scientific revolution will triumph; that the ecumenical spirit of constructive adventure which inspired the line of men from Copernicus to Newton will prevail, and that gradually the common goal of preserving this industrial civilization and the diverse cultures within it, unfolding its possibilities on all the continents and exploring together what lies beyond, will come increasingly to suffuse the minds of men as well as the policies of governments

—W.W. Rostow, *The World Economy,* 1978

Budget Management Techniques : A Perspective for India

K.L. Handa

THE BUDGET has been, historically, evolved as a document which records anticipated receipts and payments for a given period of time Its use as an instrument for ensuring accountability of the executive to the legislature under a democratic form of government has also been a heritage of the past.

The exercise of legislative and executive controls through the budget meant enforcing the limitations and conditions set by the appropriations, ensuring legality and regularity of expenditure, and requiring observance of the necessary sanctions, rules and regulations by the spending authorities This evolution of the control oriented budgetary system was followed by developments, in recent decades, to use budget as a tool of management for an efficient and economical use of resources for the implementation of government programmes and activities. A further addition to these budgetary concepts has recently been in treating budget as an instrument for planning an effective use of funds for achieving the objectives of the government

The budget is also used as an instrument of economic and social policies to express and implement the preferences and priorities of government. The need for a budget has, thus, been accepted to serve a variety of purposes. A budget can be many things depending upon the manner of its structuring and the uses to which it is put. According to Wildavsky, a budget may serve diverse purposes and can be

> a political act, a plan of work, a prediction, a source of enlightenment, a means of obfuscation, a mechanism of control, an escape from restrictions, a means to action, a brake on progress, even a prayer that the powers that be will deal gently with the best aspirations of fallible men[1]

A number of budgeting techniques have been evolved to achieve diverse

[1]Aaron Wildavsky, *The Politics of the Budgetary Process*, Boston, Little, Brown and Company, 1964, p. V.

purposes, and are being followed with varying degrees of success in different countries. These include line-item budgeting, performance budgeting, programme budgeting or planning, programming, budgeting system (PPBS), zero-base budgeting (ZBB), sunset legislation, etc. It is proposed to discuss, in the following sections, the feasibility for the application of these techniques in the conditions obtaining in India

THE HISTORICAL BACKGROUND OF THE INDIAN BUDGETARY SYSTEM

It was in 1860 that Sir James Wilson, the first finance member of the Governor-General's Council introduced the first budget in the Government of India The British introduced in India a highly centralised system of financial control. This was in line with their policy of consolidating their hold on the country. The British also wanted to introduce order and discipline in the system of financial administration which had been quite loose during the earlier regime of the East India Company A centralised system of financial control suited their interests, which, based on lack of trust of the functionaries, was made a characteristic feature of the colonial administration

A striking feature of the system of financial control as introduced by the British in India was that it was centralised in the department of finance Primarily, it was the finance department which was responsible for protecting the interests of economy and financial propriety in government The department of finance used the budgetary system for exercising the necessary financial control over the spending departments At the stage of budget formulation, it reviewed the proposals of the administrative departments by carrying out a thorough pre-budget scrutiny of their expenditure proposals from the point of view of economy and to examine their consistency with the accepted policies of the government.

The finance department did not restrict its control to the pre-budget scrutiny stage only. It got another opportunity for a detailed scrutiny of the expenditure proposals after the budget was passed and when references came to the department for expenditure sanctions before the administrative authorities could incur the expenditure The inclusion of an item of expenditure in the budget did not by itself give authority to the concerned administrative agency to spend money on it The administrative authorities had to approach the department of finance again with a full justification of the proposed expenditure, and to obtain its concurrence to the issue of expenditure sanction

Paul H Appleby, who was invited by the Government of India to review the Indian administrative system, was struck by its highly centralised character He was also surprised by the way in which matters of detail continued to be referred to the central agencies for concurrence even though the

decisions regarding budgetary allocations had already been made. As remarked by him:

> The budget provides an excellent example; it is not determined in fact when enacted, but is actually being made day after day throughout the year. Detailed control after the fact of general determination has the effect of delaying, frustrating and even nullifying decisions made earlier at the highest levels.[2]

Under the Indian budgetary system, the position till the launching of the recent delegation schemes was that the executing agencies could not proceed with the implementation of the budgeted programmes without securing itemised expenditure sanctions from the ministry of finance. The rules of business, from the very early days of the British rule, had provided that no proposal involving expenditure could be taken up for execution without the concrurrence of the department of finance. These rules continued to exist after the reforms of 1919 and of 1935. They have survived even in the present system which came into existence after the promulgation of the Indian Constitution in 1950.

In the rules framed by the President of India 'for the more convenient transaction of the business of Government of India' under Article 77(3) of the Constitution, the ministry of finance has been assigned a special position in regard to the management of the financial affairs of government However, there is a provision in the rules that they are exercisable subject to general or special orders made by the ministry of finance. Under this provision, the ministry can delegate financial powers to the administrative ministries/departments and share its responsibility for financial control with them. The various types of financial delegations made by the ministry of finance to the administrative authorities flow from this provision and the rules framed on the subject, like the 'delegation of financial powers rules'. derive their authority therefrom.

LINE-ITEM BUDGETING

The manner in which a budget is arranged reflects to a large extent the thinking of the budget administrators The form of budgeting matters importantly in the kind of calculations that enter into and the outcomes expected from the budget Its classification brings out the main purposes it is required to serve.

Different types of budget classifications have been evolved to serve diverse purposes, such as, objectwise classification, economic classification,

[2]Paul H. Appleby, *Re-examination of India's Administrative System*, New Delhi, Manager of Publications, Government of India, 1956, p. 50.

programme or activity classification, etc. Objectwise or line-item classification serves the purposes of financial accountability and ensuring legality and regularity of expenditure

In India, traditionally, the management of on going activities and control of expenditure have been given priority in the process of budget formulation and execution The budget had been used primarily to keep spending in check. It was employed for central control over inputs, such as salaries, wages, travel expenses, materials and supplies, machinery and equipment, tools and plant, etc.

Accordingly, it was the line-item budget which was introduced in India by the British and continued to be followed for over a century. This type of budget laid emphasis on the items of purchase on which expenditure was to be incurred and did not highlight the purpose of expenditure. It was evolved as a plan which told the legislature the agencies for which funds were required, and, within these allocations, the details of such expenditure, called detailed heads of account.

This type of budget was used as the basis for ensuring legislative financial control. It suited the needs of the Government of India because it was engaged throughout this long period of nearly a hundred years in a few activities only, namely, collection of revenues, maintenance of law and order, and some economic activities primarily for the protection and furtherance of British trade, like development of transport and communications. The financial control was sought to be exercised by controlling the inputs, and the budget was used for itemised control over objects of expenditure

PERFORMANCE BUDGETING

The need for modernising the budgetary system was keenly felt in India when the country launched upon planned development under successive five year plans. The traditional budget formats and processes were considered as unsuitable for a proper implementation of governmental programmes To cite from the writer's book:

> The budget as conventionally prepared emphasized the financial aspects and did not interrelate financial outlays with physical targets and achievements Accordingly, it proved deficient as a tool of management and as an instrument for evaluating performance [3]

It was, therefore, felt that the system of budgeting should be such as would provide adequate information regarding the programmes and activities of government, as to how efficiently and economically they are implemented and the results that flow therefrom, indicating the relationship

[3]K L. Handa, *Programme and Performance Budgeting*, New Delhi, Uppal, 1979, p 176.

between inputs and outputs. The budget should provide clear information on what the government proposed to do, how much of it, at what cost, and with what results.

In the context of the changed needs it was thought that the technique of performance budgeting could provide the necessary management device, as under it the financial and physical aspects of a scheme are kept together right from the beginning of the proposal to its finale. The Administrative Reforms Commission, constituted by the Government of India, in its report on *Finance, Accounts and Audit* suggested that performance budget should be prepared in the following manner:

> A programme and activity classification should be made for each department or organization selected for the purpose of performance budgeting. Besides presenting the financial needs of those programmes and activities, the expenditure should be classified in terms of object, *e.g.*, establishment. This should be followed by a narrative explanation justifying the financial requirements under each activity. This explanation should include information on targets, achievements, relevant workload factors, comparative performance over the years, etc. All this will constitute the performance budget. It should be accompanied by the demands for grants which will continue to serve as the medium through which appropriation control is exercised.[4]

The Government of India since 1968 has been gradually introducing performance budgeting, and by now most of its departments are covered under this scheme, including all its developmental departments Many State Governments have also been preparing performance budgets for their selected departments. The exercise in formulating a performance budget by a government department has, generally, involved the conversion of the existing demands for grants into the format of a performance budget with whatever data that could be procured.

According to the concept of performance budgeting, the annual budget is in essence a work plan specifying the programme targets to be achieved by the agency concerned during the financial year. It emphasises the purposes for which funds are provided. Performance budget is a tool of management, which correlates the physical and financial aspects of each programme and activity by establishing a proper relationship between outputs and the corresponding inputs.

The entire scheme of performance budgeting has to operate within the framework of clearly defined objectives which are sought to be achieved through the successful implementation of the various programmes and activities

[4]See, Government of India, Administrative Reforms Commission, *Report on Finance, Accounts and Audit*, New Delhi, Manager of Publications, 1968, pp 7-8.

undertaken by the concerned department or agency. A functional classification of the budget is necessary under the system of performance budgeting It means that the budget presentation of public expenditures should be in terms of functions, programmes, activities and projects Such a classification facilitates programme management and the measurement of physical achievements of activities as related to the costs incurred on them.

As stated earlier, performance budgets being prepared by the various departments are, by and large, conversion of demands for grants into a new document. A performance budget is presented as an additional information document but is not used for operational purposes.

Performance budgeting has a great potentiality to be used as a management tool in India for an efficient and economical implementation of governmental programmes and schemes. For achieving this, the scheme of performance budgeting needs to be operationalised by taking whatever measures become necessary for the purpose. The administrative system in which such a scheme has to operate needs to be attuned to suit its successful working. The necessary reforms and improvements should be brought about to facilitate a proper operation of the scheme of performance budgeting.

The rationale of functional classification in a performance budget is to establish correlation between the physical and financial aspects of each programme and activity. The output of a programme/activity in terms of physical targets has to be related to the inputs required which are translated into financial terms and shown as the budget provision asked for the implementation of the programme/activity. In a scheme of performance budgeting, therefore, it is essential to set physical targets for accomplishment in respect of each programme and activity to enable working out of corresponding financial estimates for incorporation in the budget The working of the system of performance budgeting depends importantly on the techniques evolved for the measurement of output in relation to inputs The system envisages selection and development of suitable work measurement units, norms, yardsticks, standards, and other performance indicators for measuring the physical quantum of the work proposed to be done or services to be rendered. These measurement norms are essential in deciding as to what is the proper relationship between the resources to be utilised and the results proposed to be achieved. These are also necessary to provide detailed justifications for the budget provisions asked for, and to furnish a scientific basis for the quantum of work proposed to be undertaken for the completion of an activity.

It is important that the measures of work devised are realistic and acceptable to the various participants of the activities. They must be acceptable to the operating officials whose work is to be evaluated in terms of these norms They must also be acceptable to the higher management levels who would be evaluating the performance of the executing authorities by using these norms Also, such norms or measures of work should be acceptable

to the authority responsible for scrutinising and approving budget estimates framed on the basis of these norms. A complete understanding of the nature of work is necessary before standards of performance are set. These standards need to be related to the local conditions and not transplanted from other different economic systems.

Another area requiring attention is the accounting classification adopted by the government, which should be such as would adequately serve the objectives of performance budgeting. The various purposes required to be served by accounts can be grouped under management and accountability functions Whereas the management function can be served best by classifying accounts in terms of functions, programmes, activities, and projects, the purpose of financial control and accountability is achieved better through itemwise control over expenditure facilitated by objectwise classification The Government of India introduced, from April 1974, a revised accounting structure which attempts to serve the purposes of management as well as the requirements of financial control and accountability. Under this scheme, a five-tier classification has been adopted, *i e* , sectoral, major head, minor head, sub-head, and detailed heads of account

The revised classification of accounts has provided the necessary facility for monitoring and analysis of expenditure on functions, programmes, and activities to aid the management function However, there are certain constraints to be recognised in developing a system of accounting to support a successful operation of the scheme of performance budgeting. Government accounting is done on cash basis which makes it difficult to know the entire cost assignable to an activity. This creates problems in the application of cost control techniques Also, the present structure of financial accounts is not adequate to serve the purposes of management. The accounts classification is not designed to relate to cost centres Hence, it is difficult to allocate cost to a responsibility centre and to evaluate actual cost against standard cost The new classification of accounts in terms of functions, programmes, activities, etc , therefore, needs to be improved further to provide for a subsidiary set of accounts to correspond to cost centres and to facilitate responsibility accounting.

Among the various important issues to be resolved satisfactorily for a successful operation of a scheme of performance budgeting is also 'delegation of financial powers'. A performance budget can lead to the achievement of results only when the various levels of management in the organisation perform and accomplish their tasks. Their involvement, in a meaningful way, in the formulation of the performance budget should inspire them to achieve its efficient implementation The preparation of performance budget at each level in the organisational hierarchy results in assignment of responsibilities to different levels of management. This ensures better accountability of these responsibility levels against their budgeted plans, tasks and targets The accountability for assignments would, of course, require

provision of facilities necessary for the discharge of functions by the various responsibility levels. One such important facility is delegation of financial powers.

A decentralised responsibility structure under the scheme of performance budgeting necessitates delegation of financial powers down the line, commensurate with the responsibilities to be discharged at various levels. Adequate delegations are necessary for an efficient discharge of responsibilities at the various levels of management In the Government of India, delegation of financial powers has been increasingly made, starting with the delegation scheme of August 1958, and followed by other delegation schemes introduced in June 1962, October 1968, April 1975 and January 1978. To facilitate the exercise of delegated powers by the administrative ministries/departments, a scheme of integrated financial adviser was also introduced from October 1975.

Whereas increasingly greater delegations have been made from time to time to the administrative authorities, and the inadequacy of delegations wherever it exists can be further taken care of, the issue which has assumed importance for debate is why the delegations after being made are not exercised by the delegatees in many cases Unless the delegations are used by those to whom they are given, the very purpose of a scheme of delegation is defeated. It, therefore, becomes important to identify the factors which inhibit the exercise of their powers by the delegatees Whereas adequate delegations commensurate with responsibilities are essential, it is equally important that a proper environment and the necessary administrative culture are created to promote and facilitate the actual exercise of these delegations. The various factors inhibiting the use of powers by the delegatees should be sought to be removed.

A performance budget is a work plan which expresses targets for achievement in respect of various responsibility levels, based on accepted norms and standards. Measurement of actual performance both in physical and financial terms in relation to the budgeted plan is an extremely important aspect in the use of a performance budget This, however, needs to be done in a manner as would help decision-making and control at the various levels of management. In this context, designing a meaningful information and reporting system assumes vital importance

The technique of performance budgeting can be usefully applied in India if the related matters, as discussed above, are attended to properly and the necessary reforms implemented in the true spirit. A performance budgeting system introduced in an organisation should not stop at the preparation of a performance budget document, rather it should be fully operationalised for achieving efficiency and economy in the execution of the various programmes, activities, schemes, and projects of the organisation

PROGRAMME BUDGETING OR PPBS

Programme budgeting or planning, programming, budgeting system (PPBS) is a technique which is considered to provide a suitable methodology for the allocation of funds in the budget. This is based on analytical studies directed to an assessment of alternative means for the achievement of the specified objectives. The system involves defining the various programmes, identifying the inputs required with a calculation of the related outputs expected, and trying to obtain the lowest possible input-output ratio. The presumption is that by incorporating a scheme of planning in the budgetary process, the new technique of PPBS would help employ public resources in such a manner as to achieve the best results. The allocation of budget resources according to cost-benefit/effectiveness analysis is considered to achieve the best possible input-output relationship.

Therefore, programme budgeting or PPBS emphasises the planning aspect of budgeting for selecting the best out of a number of available programmes, and for optimising the choices in economic terms while allocating funds in the budget Programme budgeting is thought to derive its core ideas from economics and systems analysis. It treats budgeting as an allocative process among competing claims to be conducted by using the relevant planning techniques.

This type of budgeting technique is not suitable for application in India because the necessary trained manpower capability is difficult to be developed in each department for a long time to come for carrying out the required analytical exercises, and also the necessary informational technology and other aids for the purpose of these exercises are not available to each department, and there are certain serious conceptual and practical problems involved in working such a scheme Despite the various difficulties in defining the scope of cost-benefit/effectiveness analysis and the problems of measurement, a complete merging of the planning function with budgeting conveys the idea that a theory of budgeting can be built by incorporating the various stages of policy analysis and planning into the planning-programming-budgeting system. The implication then is that budget allocations can be determined by the theory so constructed

It may be pointed out that in a democratic polity, the budget allocation process cannot leave aside the political forces and interest groups which keep pressing their claims and demands for a share in the public purse. A theory of budgeting which seeks to settle resource allocations on the basis of analytical techniques alone might serve academic interests, but is bound to be out of place in the real world.

As maintained by Wildavsky, a normative theory of budgeting, to be more than a mere academic exercise, must actually guide in the making of resource allocation decisions The items of approved expenditures provided for in the budget and spent must, in a large measure, conform to such a

theory for it to have any practical effect This would, however, be tantamount to requiring virtually all the activities of government to conform to the theory of budgeting because the bulk of what the government does has to be paid through the budgeting process Therefore, any theory of budgeting, embodying the criteria for determining budget allocations, is nothing less than a theory which prescribes what the government ought to do This makes a normative theory of budgeting a comprehensive and specific political theory which prescribes what the government's activities ought to be at a particular time. As remarked by Wildavsky:

> A normative theory of budgeting, therefore, is utopian in the fullest sense of that word. its accomplishment and acceptance would mean the end of conflict over the government's role in society.[5]

It is unlikely, therefore, that budget allocation can be finally decided on the basis only of analytical studies incorporating techniques of systems analysis, cost-benefit analysis and cost-effectiveness analysis Nevertheless, there is no gainsaying the utility of analytical studies as important aids to decision-making and for determining priorities among equally acceptable investment projects. What is sought to be made out is that the various types of analytical techniques would have a limited role in the budgetary allocation process. In a democratic society, such techniques cannot conclusively settle the allocation of resources as among the various competing projects They can at best be a useful aid in the process of decision-making which involves various other considerations also The final decisions, of course, have to rest on the political process obtaining in the country. There cannot, therefore, be any such thing as a normative theory of budgeting as the final arbiter on budgetary allocations There needs to be a compromise and a proper match between analytical studies and the various other considerations.

A complete tying of planning function with budgeting is also not advisable because of certain important differences between the two processes. Planning, of course, has to precede budgeting Also, a good system of budgeting is one which reflects as many planned programmes as financially possible and politically feasible Whereas there is need for a close coordination between planning and budgeting, the two by their very nature have to be separate processes Planning partakes more of the nature of a consultative process Budgeting, on the other hand, is done, both in its formulation and execution, within certain constitutional, legal, and administrative constraints All this is, however, not to deny the complementary role of planning and budgeting, which is of crucial importance especially in developing

[5]Aaron Wildavsky, *op cit*, pp 128-29

countries. As stated in a United Nations document:

> In a developing country with a mixed economy, where formal operative planning takes place with respect to the public sector, the budgetary system plays a very important role in the implementation of public sector development programmes. The planning and budgetary processes are essentially complementary to each other but in actual practice, the relationship between them has often been weak and tenuous.[6]

While recognising the complementary nature of planning and budgeting and also emphasising the importance of linking closely the activities under them, what is sought to be made out here is that they cannot be tied into one and the same process of planning and budgeting. In fact, in most countries, the tasks of planning and budgeting are separately undertaken by different groups of personnel in distinct organisational units. Whereas, under a budget, programming is done on an annual basis, planning has a longer time perspective.

A government budget is generally adopted for one year. This annuality of the budget is just an auxiliary device. But as it has come to be so for practical reasons, the budget allocations for programmes need to be planned for each fiscal year. The preparatory work which feeds into the budget allocation process, in order to remain close to reality, cannot be extended much beyond six to twelve months before the commencement of the budget year. If planning, based on analytical studies, is fully tied to the budgetary process, the various studies needed to decide priorities among the alternatives would be required to be completed in about a year's time. Obviously, this would not be possible in the case of most of the bigger programmes involving extensive and intensive cost-benefit/effectiveness studies.

Planning, therefore, by its very nature, has to be undertaken separately from the budgetary process. However, the results of planning have to be fed to the budgetary process as and when the programmes are accepted for implementation In other words, planning, to be meaningful, requires an effective integration with budgeting through appropriate institutional, organisational and other arrangements; as in India, one way of achieving this is by cooperation and coordination between the Planning Commission, the Bureau of Public Enterprises, the administrative ministries, the ministry of finance and other concerned departments through the agencies of expenditure, finance committee and the public investment board. But the two processes, *i e.*, planning and budgeting, need to be conducted separately.

It may be pertinent to cite here the following comments of Wildavsky on the system of planning, programming and budgeting as introduced in the

[6]United Nations, *Government Budgeting and Economic Planning in Developing Countries* New York, U N Publication, 1966, p. 15.

United States in 1965, under which planning and policy analysis functions had been tied to the budgetary process:

> PPBS discredits policy analysis To collect vast amounts of random data is hardly a serious analysis of public policy. The conclusion is obvious. The shotgun marriage between policy analysis and budgeting should be annulled [7]

Therefore, planning and budgeting should be kept as two distinct processes However, after the plan priorities have been settled and programmes formulated by the planning agency, the budget may be used as a proper instrument for making resource allocation decisions for the planned programmes on a year to year basis, considering the resource position for each year.

The recommendation for keeping the planning function with a separate agency does not imply that the participation of the administrative departments is not necessary in the planning process. On the contrary, it may be emphasised that the planning agency needs close cooperation from the administrative departments for working out various proposals under the plans The contribution of the implementing authorities is of crucial importance in framing realistic and workable plans. What is, however, sought to be suggested is that the bulk of the analytical studies would need to be conducted as part of the planning process separate from the budgetary process. Programme budgeting or planning-programming-budgeting system is, therefore, not feasible for application in India in the conditions as at present prevailing in the country

ZERO-BASE BUDGETING

Zero-base budgeting was evolved in 1969 as a tool for planning, budgeting and control It was developed originally by Peter A Pyhrr at Texas Instruments Jimmy Carter adopted the system for the first time in government when he was Governor of Georgia and used it in the formulation of the 1972-73 budget Also, as President of the United States, he made use of zero-base budgeting in his budget for the fiscal year 1978-79

The basic feature of a zero-base budget is that the departments, while preparing their budgets, should not take anything for granted and, therefore, should start on a clean slate. The budget making for the ensuing year should be started from ground zero instead of treating the current budget as the base or the starting point The concept of zero-base budgeting implies that all activities of the organisation should be viewed afresh and priorities among competing claims for allocation of funds settled on the basis of some analytical evaluative technique, like cost-benefit analysis.

[7]Aaron Wildavsky, *op cit.*, p. 205.

There are certain basic requirements for developing a zero-base budget, which are: (*i*) identification of decision units, (*ii*) describing each decision unit in terms of decision packages, (*iii*) evaluating and ranking all decision packages by using the analytical technique of cost-benefit analysis, and (*vi*) developing the budget requests by ranking decision packages on the basis of their relative projected performance, and allocating resources to activities or decision packages by utilising hierarchical funding cut-off levels. Zero-base budgeting, thus, requires a complete re-examination of all programmes and activities afresh instead of following the incremental approach to budgeting.

In a system of zero-base budgeting, the existing programmes and activities are to be reviewed and examined in the same detailed manner as the newly proposed ones. The system requires providing the necessary justifications for all programmes, activities, or decision packages with each new budget year so that the scarce resources available may be allocated in an optimum manner. The scientific techniques used for analysing the cost-benefit relationship of various available alternatives help in presenting choices for decision-making so as to enable optimising allocation of funds.

Zero-base budgeting requires a highly professionalised staff, well-versed in techniques like cost-benefit analysis, being available to each agency where such a type of budgeting is introduced. As in the case of programme budgeting, zero-base budgeting also involves conducting the planning process as part of the budgetary process, with all the associated conceptual and practical problems as have been discussed in the earlier section. A highly sophisticated information system which becomes a necessary adjunct of a system of zero-base budgeting would take very long to develop in most of our government departments and agencies There is also generally a bureaurcatic resistance to a major change in any aspect of the administrative system Zero-base budgeting being a radical change from the conventional budgeting practices, is likely to encounter strong resistance from departmental officers.

Zero-base budgeting may be more suitable for industrial organisations and commercial enterprises. But its application to governmental organisations which do not possess the necessary informational and analytical capabilities required for a successful operation of zero-base budgeting may create more problems than what it is calculated to solve In any case, zero-base budgeting is not suitable for application in the present day conditions of India or in the developments envisaged for the near future.

SUNSET LEGISLATION

Sunset legislation is a formal process of policy review for terminating programmes not desired It embodies the concept of self-retiring government programmes by providing for the termination of the statutory authorisation of programmes. This way, the sunset legislation ensures economy in

government expenditure by making it possible for the elimination of those programmes which have outlived their purpose and lost their utility. This is achieved by placing time limits on government programmes in the legislative enactments themselves and providing for their automatic termination on the prescribed dates unless affirmatively recreated by the legislature after conducting a detailed review.

It started with the enactment of Colorado's Sunset Law in 1976 which incorporated the provision for self-retirement of programmes according to prescribed schedules. The idea of sunset legislation was soon after caught by the United States Congress and most States in that country, which enacted similar legislations in the years that followed.

In government, it is very difficult to initiate a programme because no one person generally assumes full responsibility for the purpose and the necessary decision-making is fragmented amongst various bodies. But, once a programme forms part of the budget and gets started, it becomes still more difficult to drop it even when it has lost its purpose. The sunset laws which provide legislative authorisation for the termination of redundant programmes get their justification from this basic difficulty of a government department to pilot elimination of a current programme.

The basic support for sunset legislation is provided by the argument that as the old programmes become redundant, ineffective and start being managed inefficiently without any relevance to the original purpose, they should be eliminated, making funds available for new programmes. This would enable reallocating scarce resources of government on a continuous basis to ensure economic efficiency and administrative rationality. This would also help avoid unnecessary proliferation of government activities.

Sunset legislation also seeks to shift major responsibility for evaluating a programme from the executive wing to the legislature thereby overcoming the resistance which would generally be met within the executive branch while terminating a current programme. The priorities among the various ongoing and new programmes can, thus, be weighed more objectively by the legislature playing an active role in deciding upon budget authorisations.

The application of sunset principles in India is beset with many difficulties. In the parliamentary democratic form of government which obtains in India, the Constitution has provided initiative in financial matters to the executive wing. Any adverse vote by parliament on a proposal submitted by the government may result in the cabinet resigning from office. Also, there are no separate legislative committees created in Indian parliament to review and revise the budget demands submitted by the various departments of the government each year, which is the case under the United States system. Moreover, unlike the United States Congress, the Indian parliament has not been adequately staffed with trained personnel to provide the required support for carrying out detailed analytical exercises, such as systems analysis, cost-benefit analysis, cost-effectiveness analysis, etc., for

a total evaluation of programmes. Therefore, for various reasons, sunset laws which have been claimed to have received enthusiastic welcome in the United States are not feasible for application in India.

What will suit the present day Indian system and very much needed also is zero-base planning of programmes. It is suggested thereby that each on-going programme should be thoroughly examined and evaluated periodically, say, every five years, to justify afresh its further continuance. Also, a system needs to be institutionalised, that those of the programmes and projects which have lost their utility and, therefore, their further continuance, are eliminated. It may be mentioned that programme evaluation reviews are already being conducted by some agencies in India. It is, however, suggested that programme evaluations should be done as a regular part of the system at definite intervals by using the principles of zero-base planning and by employing the relevant analytical techniques.

CONCLUSION

Line-item budgeting is suitable for financial accountability and ensuring legality and regularity of expenditure. This type of budgeting, however, emphasises objects of expenditure without highlighting the purpose to be accomplished Performance budgeting serves the purpose of correlating the financial and physical aspects of each programme and activity by establishing a proper relationship between the inputs to be used and the corresponding output. It is useful as a tool of management for achieving efficiency and economy in the implementation of programmes/activities It can be successfully applied in India provided certain related matters, like evolving scientific and realistic norms and standards, structuring of accounts classification, delegation of financial powers, designing and operating a proper monitoring system, etc , are attended to and the necessary reforms introduced.

Programme budgeting or PPBS, and zero-base budgeting are not feasible for application in India because both these techniques require planning, based on analytical studies, to be made an integral part of the budgetary process for deciding on allocation of funds. This, for various reasons, is difficult to be achieved in a democratic political set-up as it obtains in India. Sunset laws provide legislative device for self-retirement of programmes according to prescribed time limits unless affirmatively recreated by the legislature after conducting detailed evaluation of these. This type of system is also not feasible in India because of certain basic differences, constitutional and others, between the position and powers of the Indian parliament and the United States Congress.

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Management-by-Objectives in the Provision of Social Services

M. Mushkat Jr.

Man is a creative animal, doomed to strive consciously towards a goal.

—F. Dostoevski

MANAGEMENT-BY-OBJECTIVES (MBO) is rapidly becoming one of the most influential hallmarks of modern management. A decade or so ago few business enterprises in the world and only a rare non-profit organisation were found to be practising MBO Today in Australasia, Europe and North America a good many corporate entities employ the technique in one form or another (or at least believe that they do) The concept has also been implemented by companies in other than these 'core' regions, including some developing countries.

MBO applications have become equally widespread in the public sector The technique, in fact, has gradually replaced planning-programming-budgeting (PPB) as the main tool for allocating and managing resources in non-profit organisations.[1] Initially it was made use of in conjunction with the provision of physical services (an area of public activity in which it is relatively easy to establish meaningful targets and monitor performance) but after a number of years it has been adopted in practically all domains of governmental and quasi-governmental administration

Nor is this all In addition to emerging as one of the most widely practised approaches to the art of management, MBO has turned out to be a subject about which a great deal has been written in textbooks and in journals spanning the entire gamut from professional and trade publications to academic ones Indeed, a Canadian scholar[2] has recently compiled a list of books and articles in the area of MBO consisting of some fifty-five pages with over

[1]For an interesting proposal to combine PPB and MBO into a management system that would offer far more than either of these alone, see, B H. De Woolfson, Jr , "Public Sector MBO and PPB", *Public Administration Review*, 35, July/August, 1975, pp 378–395

[2]R Mansell, *A Management by Objective Bibliography*, Waterloo, 1977 (mimeogrphed)

700 books, articles, monographs, dissertations and theses entered. It has been further suggested[3] that besides these it would also be possible to identify over 300 unlisted readings, journal articles in languages other than English, and audio and video cassette training packages on the subject. Moreover, hundreds of company-prepared manuals and documents (public organisations have not produced these in large numbers) have been designed for internal company training and guidance in applying the technique.[4] Finally, at least one regular monthly journal and several newsletters on MBO are currently in existence [5]

The considerable experience with the technique and the vast literature on the subject have not, however, necessarily rendered its utilisation invariably simple and straightforward. MBO may be implemented without undue difficulties in business enterprises but its application in public organisations is often fraught with both conceptual and practical problems.[6] This is especially true of the social services area. Here, in spite of some valiant attempts to put MBO to good use, the results have been less than successful. The aim of this article, therefore, is to offer some concrete ideas that could perhaps make such endeavours a more viable proposition in the future. We begin by explicating the general principles of MBO, proceed there upon to point out the limitations of the writings on its role in the provision of social services, and end up with a cluster of specific recommendations as to how to improve the present practices.

WHAT IS MBO

In essence, MBO is a systematic approach to achieving desired results. It lies at one end of a continuum of approaches to the practice of management. At the other end of the same continuum lies management by activity or reaction (MAR). In MAR, planning is accomplished immediately prior to or in concert with action, and there are frequent changes in plan due either to lack of time in which to consider alternatives or to lack of predetermined objectives As a corollary, we have what is sometimes called seat-of-the-pants management This extreme is illustrated by the manager who comes to work in the morning without any real idea of what will happen that

[3]G.S Odiorne, "MBO", *Business Horizons*, 21, October, 1978, pp 14-24.

[4]*Ibid.*

[5]*Ibid*

[6]On MBO in public organisations, see, J L Gibson, J M Ivancevich and J.H Donnelly, *Organizations*, Dallas, Business Publications, 1973; J.W. Glendinning and R.E H. Bullock, *Management by Objectives in Local Government*, London, Knight, 1973; D D. McConkey, *MBO for Nonprofit Organizations*, New York, AMACOM, 1975; J S. Jun, *Management by Objectives in Government*, Beverly Hills, Sage, 1976; G L. Morrisey, *Management by Objectives and Results in the Public Sector*, Reading, Ma, Addison-Wesley, 1976; D. Borst and P.J Montana (eds), *Managing Nonprofit Organizations*, New York, AMACOM, 1977.

day The first crisis that comes along sets up the stage for what follows. Effectiveness is measured by the flurry of activity that goes on and the effort that is put forth rather than by the results produced.

By contrast, under MBO, management[7] defines in advance the results to be achieved and the action plans required for the achievement of these results. Furthermore, upon plan formulation all systems are geared to keeping the organisation on target MBO consists of five phases: (1) Setting objectives, (2) Translating objectives into action plans, (3) Managerial direction and action, (4) Control (monitoring), and (5) Feedback These phases are closely inter-related and together they provide a dynamic framework for management that is progressive in the sense of being oriented towards results (*i e*, goals management). Their coordinated introduction gives MBO its special flavour and sets it poles apart from the purposeless style of management represented by MAR.

The setting of objectives revolves around the formulation of organisational strategy and the decomposition of this strategy into a network[8] of objectives for all the responsibility centres[9] in the organisation. The individual objectives are referred to as 'feeder-objectives', with a view to conveying the idea that they feed into the overall organisational strategy : "Each feeder-objective acts as a source of supply to the entire strategy The supply of individual contributions 'flows' or 'adds' to form a total contribution, in a manner similar to tributary streams that flow and add their contributions to lakes and oceans"[10] MBO requires that in formulating objectives we avoid general statements (which are known in the trade as 'motherhood' objectives or the 'general, nebulous, blue-sky thinking, category'[11] and furnish instead concrete directions to managers as to what must be accomplished, how much must be accomplished, who is to accomplish what and when it must be accomplished.

Once specific objectives have been adopted they are converted into plans that, when completed, would hopefully result in the accomplishment of the objectives. (Prior to MBO as it is presently practised it was an

[7]In concert with employees at all levels.

[8]The word 'network' implies functional interdependence. Thus, "A network is defined as a system of functionally connected segments and parts whose individual actions and interactions affect other segments, which, in turn, affect the system Each separate segment is a link whose output is needed by other links in the system". See, P. Mali, *Managing by Objectives*, New York, Wiley, 1972, p. 24.

[9]"A responsibility center is a group of people headed by a manager who is responsible for what it does In large organizations, there is a complicated hierarchy of responsibility centers—units, sections, departments, branches, and divisions Except for those at the bottom of the organization, these responsibility centers consist of aggregations of smaller responsibility centers. The entire organization is itself a responsibility center." See, R N. Anthony and R E Herzlinger, *Management Control in Nonprofit Organizations*, Homewood, Irwin, 1975, p. 17

[10]P. Mali, *op cit*, p 22

[11]D D McConkey, *op cit*, p. 14

all-too-frequent practice for organisations to structure their objectives, even highly specific ones, and then fail to develop the concrete plans to support them. As McConkey has put it: "It seemed almost as if they were relying on the Almighty to see to it that the objectives did in fact get accomplished". MBO stopped this praying and wishing and substituted 'backbone management' for 'wishbone management '[12] Plans are usually detailed statements of the step-by-step action to be undertaken in pursuit of the objectives set by the organisation.

Plan formulation is followed by managerial direction and action. This phase of MBO requires management to provide clear direction and initiate action to realise what the organisation aims to accomplish—put another way, to carry out its objectives and plans. Managerial direction and action involves major functions such as organising, communicating, motivating, coordinating and developing subordinates. The emphasis throughout is on bringing to life the objectives and plans previously established More than anything else, management direction and control is thus the action vehicle of MBO.

Control and feedback are the last two phases in the process (in practice they tend to be indistinguishable from one another). Control is on the other side of the objective-setting coin. It begins with the setting of objectives by building into the objective programme points for control purposes. Management assesses work in progress with these points to determine whether what is actually happening is what was supposed to happen. Control points are referred to, in the vernacular, as performance standards.[13] Performance standards guide individuals and activities towards the organisational objectives. Comparing actual performance with predetermined standards and ascertaining the difference, if any, is the heart and core of keeping the organisation on course towards targets (exactly what control is all about).[14] Control, of course, is useless unless it results in appropriate management action. Thus we come to feedback and its part in the MBO process. Feedback requires that management juxtaposes actual performance with performance standards and take corrective measures if necessary. The rational for feedback is also the rational for MBO: to minimise deviation from key organisational objectives.

MBO COMES TO THE SOCIAL SERVICES

The social services had experienced a spectacular growth in the 1960s The governments of the day acted out of conviction that poverty and

[12] D.D. McConkey, *op. cit.*

[13] Performance standards are usually expressed in terms of *quantity* (how much), *quality* (how good), *time* (when accomplished) and *cost* (at what expense)

[14] Sometimes there is overshooting of the standards; sometimes there is undershooting. This overshoot or undershoot can make the difference between the successful and unsuccessful practice of MBO.

economic dependency could be reduced or even eliminated through the expansion of these services (some governments embarked on welfare reform a decade or so earlier but the pace of change had generally accelerated in the 1960s and the reform had acquired greater depth). Typical of those times was a statement made by President Kennedy in support of the social security amendments of 1962. This statement gained considerable symbolic importance, at least in the United States, and it read as follows:

> I have approved the bill that makes possible the most far-reaching provision of our welfare program since it was enacted in 1935. This measure embodies a new approach stressing services in addition to support, rehabilitation instead of relief, and useful work instead of prolonged dependency.[15]

These inspirational words marked the beginning of a spiral of growth in the social services which continued unabated almost until the end of the decade Unfortunately, however, the Kennedy statement conveyed a promise that simply could not be fulfilled. The war on proverty, model cities and the countless other social programmes of the 1960s were more often than not based on exaggerated optimism rather than on careful ends-means analysis (it is not uncommon in professional circles nowadays to equate them with expressive—as opposed to instrumental—action and to dismiss them as bandwagon programmes)[16] The planners who gave shape to these programmes failed to examine adequately whether they had any real relationship to the causes of the problems to be alleviated, whether any of the intended results could be measured, or indeed whether the knowledge, resources and professional competence existed to deliver what was promised.[17]

As a consequence, social services, especially those designed for the poor, have come under mounting criticism The public and its representatives have become convinced that tax dollars and voluntary contributions were being squandered in programmes with few discernible results. The growing unease about the exact role of the social services has been further reinforced by the empirical evidence that a good many agencies administering these services were grossly ineffective and unresponsive In a well-known review of eleven major social service projects, for instance, Fischer[18] has revealed a prevailing lack of effectiveness in service delivery. His report has indicated that in about half of the cases clients receiving services actually tended to deteriorate!

The tide started turning against the unchecked growth in the social

[15]M L Rosenberg and R Brody, "The Threat or Challenge of Accountability", *Social Work*, 19, May, 1972, p. 345

[16]*Ibid*

[17]*Ibid*

[18]J Fischer, " ...ctive", *Social Work*, 18, January, 1973, pp

services already in the late 1960s. Thenceforth, requests to provide funds in support of social programmes have been carefully scrutinised and the funds have been frequently withheld. Those charged with the responsibility for disbursing public monies have reversed their attitude yet again, putting the onus on social service providers to unequivocally demonstrate the viability of their programmes. Thus, in reporting out the 1973 appropriation bill for the department of health, education and welfare, the US Senate Appropriations Committee had the following to say about the increasing rate of expenditure for the social services authorised by the public assistance titles of the Social Security Act :

> This committee is concerned that the use of this source of federal financing is out of any reasonable control. The Department of Health, Education, and Welfare cannot even describe to us with any precision what $2,000,000,000 of taxpayers' money is being used for. We have been informed by the Department that they intend to improve their management of this program. . . However, until these improvements are accomplished, this committee believes that Congress must limit the Federal liability for this largely unknown, undefined, open-ended financing mechanism .. until convinced that these funds are being spent prudently and effectively.[19]

The reluctance to grant financial assistance to dubious social programmes has been part of a two-pronged strategy to trim the social services In addition, 'efficiency partisans'[20] in positions of authority in the public sector have exerted pressure on agencies providing these services to adopt sophisticated management techniques with a view to injecting the process of social programming with greater rationality.[21] PPB and the twin techniques of

[19] G Hoshino, "Social Services", *Social Service Review*, 47, September, 1973, p. 373.
This Congressional posture was echoed in a statement made by the Chief Domestic Adviser to President Nixon: "There seems to be a folk tradition around this town that it's somehow indecent to cut any social program I don't think the second administration will be a believer in that folk tale I think a President with a substantial mandate, who feels that the majority of the people are behind him, will feel very comfortable in saying to a vested interest group, such as the social workers. 'Look your social program of the 1960's isn't working, and we're going to dismantle it so you'll just have to go out and find honest labor somewhere else'." See in, E Newman and J Turem, "The Crisis of Accountability", *Social Work*, 19, January, 1974, p. 6

[20] See, in this connection, C L Schultze, *The Politics and Economics of Public Spending*, Washington, D C, Brookings Institution, 1968.

[21] See, in this connection, A J Kahn, *Theory and Practice of Social Planning*, New York, Russell Sage Foundation, 1969; A M Rivlin, *Systematic Thinking for Social Action*, Washington, D C, Brookings Institution, 1971; H. Glennerster, *Social Service Budgets and Social Policy*, London, Allen and Unwin, 1975, N. Gilbert and H Specht (eds), *Planning for Social Welfare*, Englewood Cliffs, Prentice-Hall, 1977, J.W. Sutherland,

(*Continued on next page*)

cost-benefit and cost-effectiveness analysis were the first to come on the scene. They were quickly followed by 'second generation' techniques such as the community impressions approach, delphi method, gaming, management information systems, nominal group approach, operational research, policy experiments and quasi-experiments, social indicators, survey research and system simulation MBO started featuring in social programming at about the same time as the bulk of the techniques grouped in the latter category.

In general, social service professionals have accepted the need for MBO. The 1970s, as a matter of fact, had witnessed the rise of a rather voluminous literature[22] extolling the virtues of the techniques[23] and suggesting that it might help realise the elusive goals of social welfare as well as ensure greater accountability in the provision of social services. This literature has been largely concerned with the setting of objectives for social service agencies

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Managing Social Service Systems, Princeton, Petrocelli, 1977, C.C. Attkisson, *et al.* (eds.), *Evaluation of Human Service Programs*, New York, Academic Press, 1978, N Falk and J. Lee, *Planning the Social Services*, Farnbarough, Saxon House, 1978; T. Booth (ed), *Planning for Welfare*, Oxford, Blackwell, 1979, A.S. Eichner and C.M. Brecher, *Controlling Social Expenditures*, Montclair, Allanheld, Osmun, 1979.

[22]In particular, see, V.R Wiehe, "Management by Objectives in a Family Service Agency", *Social Casework*, 54, March, 1973, pp 142-146; S N. Dubey, "Management by Objective Strategy for Social Welfare Organisations", *Indian Journal of Social Work*, 35, October, 1974, pp 255-269, J. Algie, *Social Values, Objectives and Action*, London, Kogan Page, 1975, M.C Raider, "An Evaluation of Management by Objectives", *Social Casework*, 56, February, 1975, pp. 79-83, M C Raider, "A Social Service Model of Management by Objectives", *Social Casework*, 57, October, 1976, pp. 523-528, B. Spano and S Lund, "Management by Objectives in a Hospital Social Service Unit", *Social Work in Health Care*, Spring, 1976, pp. 267-276; M C Raider, "Installing Management by Objectives in Social Agencies", *Administration in Social Work*, 1, Fall, 1977, pp 235-244, H K. Wong, "M.B O Goes to Work in Community Development", *Hong Kong Journal of Social Work* 1, Summer, 1977, pp 15-23, D.K. Granvold, "Supervision by Objectives", *Administration in Social Work*, 2, Summer, 1978, pp. 199-209.

[23]The advantages of MBO are spelt out more fully in, P. Mali, *op cit*, G S. Odiorne, *Management Decisions by Objectives*, Englewood Cliffs, Prentice-Hall, 1969, W J. Reddin, *Effective Management by Objectives*, New York, McGraw-Hill, 1971, P.P. Schoderbek, *Management by Objectives*, Iowa City, University of Iowa Press, 1973.

A more realistic appraisal is to be found in, J D. Wickness, "Management by Objectives", *Journal of Management Studies*, 5, October, 1968, pp. 365-379, J M. Ivancevich, "A Longitudinal Assessment of Management by Objectives", *Administrative Science Quarterly*, 17, March, 1972, pp 126-138; S.J Carroll, Jr and H L Tossi, Jr, *Management by Objectives*, New York, Macmillan, 1973; J M. Ivancevich, "Changes in Performance in a Management by Objectives Program", *Administrative Science Quarterly*, 19, December, 1979, pp. 563-574, A P. Raia, *Managing by Objectives*, Glenview, Scott, Foresman, 1974, H Tossi, *et al*, "How Real are the Changes Induced by Management by Objectives", *Administrative Science Quarterly*, 21, June, 1976 pp 276-306; J P. Muczyk, "A Controlled Field Experiment Measuring the Impact of MBO on Performance Data", *Journal of Management Studies*, 15 October, 1978, pp 318-329.

and the translation of these objectives into action plans, that is, the first two phases of MBO. Considerable attention has also been accorded to the mechanics of installing the system in social service settings.

The preoccupation with objectives and action plans may well be understandable. This is, after all, where many of the problems encountered in the management of the social services originate from. (As two insiders have pointed out : "Our goals are couched in the kind of generalities which are unable to inform action. The actions we take are not subject to measurement, and are not conceived of as leading to goals larger than the actions themselves "[24]) The focus on system installation is equally justifiable As indicated, MBO is primarily a private sector management technique. Great care, therefore, must be exercised in the process of 'transferring' it to the rather *sui generis* environment of the social services

At the same time, it is difficult to avoid the conclusion that not enough thought has been given in the same literature to the control phase of MBO and its implications for the management of the social services. Most writers, of course, pay the usual lip service to the need for monitoring performance. None, however, ventures any further The measurement of system performance[25] in the social services is highly problematic; especially if the object of the exercise is to obtain measures reflecting the impact rather than simply the output of the agencies providing the service ("Policy impact is not the same as policy output It is important *not* to measure benefits in terms of governmental activity. For example, the number of dollars spent per member of a target group (per pupil educational expenditures, per capita welfare expenditures, per capita health expenditures) is not really a measure of the *impact* of a policy on the group. It is merely a measure of government activity—that is to say, a measure of policy output. We cannot be content with measuring how many times a bird flaps its wings, we must assess how far the bird has flown In *describing* public policy, or even in *explaining* its determinants, measures of policy output are important. But in assessing the *impact* of policy, we must identify changes in the environment that are associated with measures of government activity."[26]) The superficial treatment accorded to the control phase of MBO by social service professionals is, it seems, the result of not fully appreciating the true nature of the task We submit that the time has come to take concrete steps towards developing workable ideas for monitoring performance in the social services The following section is intended as a move in this direction.

[24]E Newman and J Turem, *op cit.*, p. 373

[25]We are interested here in MBO as a method of system management rather than as a tool of personnel administration

[26]T R Dye, *Understanding Public Policy*, Englewood Cliffs, Prentice-Hall, 1978, pp 312-313.

TOWARDS MONITORING SYSTEM PERFORMANCE IN THE SOCIAL SERVICES

The social services are concerned with the functioning of individuals and groups Their objectives should, therefore, be expressed in terms of individual or group performance and the MBO control effort ought to revolve around these two concepts The difficulty is that so far no attempts have been made to develop instruments which might measure changes in individual or group functioning in social service settings Fortunately, however, instruments of this nature have been developed by mental health professionals to measure the outcome of mental health programmes. Their work can easily be generalised to practically all social service settings[27] and provide the necessary foundation for implementing the control phase of MBO in accordance with the letter and spirit of the writings of the proponents of the technique

One such instrument is the client satisfaction questionnaire (Annexure 1) The questionnaire involves the individual directly in evaluating the service provided It does not measure individual or group performance as such, but generates information which has a definite bearing on this question (that is particularly true of item 3, incidentally, a smaller scale-consisting of items 3, 7 and 8—also appears to function well as a global measure of client satisfaction) Client satisfaction ratings can be solicited by mail or telephone, used as part of a follow-up interview, or obtained when the client comes in for service If service episodes vary greatly in length, or early client dropout is a concern, then it might be desirable to collect client satisfaction ratings twice, once shortly after service begins, and again at a later time when most clients will have terminated [28]

Another instrument developed by mental health professionals which might be useful for our purposes is the *global assessment scale* (GAS)[29]

[27]The author encountered no serious problems in employing rough variants of the instruments at issue to evaluate the effectiveness of programmes designed to rehabilitate drug addicts in Hong Kong This work is described in greater detail in, M. Mushkat, Jr, *Rethinking the Effectiveness of Social Programmes* (forthcoming), M Mushkat, Jr and R Mushkat, *Evaluating Policies Designed to Alleviate the Narcotics Problem in Hong Kong* (forthcoming).

[28]For more information about the client satisfaction questionnaire, see, J A Ciarlo and J Reihman, *The Qenver Community Mental Health Duestionnaire* , Denver, 1974, (mimeographed), C B McPhee, J Zusman and R H. Joss, "Measurement of Patient Satisfaction", *Comprehensive Psychiatry,* 16, July/August, 1975, pp 399-404, C B McPhee and J Zusman, *Quality Evaluation of Mental Health Services,* Buffalo, State University of New York at Buffalo, 1976

[29]The GAS had a somewhat less useful predecessor called the *Health-Sickness Rating Scale* (HSRS) See, in this connection, L Luborsky, "Clinicians' Judgements of Mental Health", *Archives of General Psychiatry,* 7, December, 1962, pp 407-417, L Luborsky and H Bachrach, "Factors Influencing Clinicians' Judgements of Mental Health", *Archives of General Psychiatry,* 31, September, 1979, pp 292-299, R L Spitzer and J Endicott,

(*Continued on next page*)

(Annexure 2) The GAS is a single rating scale for evaluating the overall functioning of an individual during a specified time period on a continuum from psychological or psychiatric illness to health. The time period that is assessed is generally the last week prior to an evaluation, although for special studies a longer time period may be more appropriate.

The scale values range from 1, which represents the hypothetically most ill individual, to 100, the hypothetically healthiest. The scale is divided into ten equal intervals : 1 to 10, 11 to 20, and on to 81 to 90 and 91 to 100. The defining characteristics of each ten-point interval comprise the scale. The two highest intervals, 81 to 90 and 91 to 100, are for those extremely fortunate individuals who not only are without significant psychopathology but also display many traits often referred to as 'positive mental health', such as superior functioning, a wide range of interests, social effectiveness, warmth and integrity. The next interval, 71 to 80, is for individuals with no or only minimal psychopathology but who do not possess the positive mental health features noted above. Although some individuals rated above 70 may seek some form of assistance for psychological problems, the vast majority of individuals in treatment will be rated between 1 and 70. Most outpatients will be rated 31 to 70, and most inpatients between 1 and 40.

In making a rating, one first selects the lowest interval that describes the individual's functioning during the preceding time period. For instance, an individual whose 'behaviour is considerably influenced by delusions' (range 21 to 30) should be given a rating in that range even though he has 'marked impairment is several areas' (range 31 to 40) In order to determine the scale point within the ten-point interval, the defining characteristics of the two adjacent intervals are examined to determine whether the individual is closer to one or the other For instance, an individual in the range 21 to 30 who is much closer to the 11-20 range than the 31-40 range would be given a specific rating of 21, 22, or 23 An individual who appears to be equidistant from the two adjoining ranges is given a rating of 24, 25, 26, or 27.

Since the ratings are for overall functioning during a specific time period, it is important that the rating be based on functioning and symptoms during that time period and not be influenced by considerations of prognosis, previous diagnosis, or the presumed nature of the underlying disorder. By the same token, the rating should not be influenced by whether or not the individual is receiving medication or some other form of help.

The information needed to make the rating can come from any source, such as direct interview of the individual, a reliable informant, or a case record Little information may be needed to make a rating at the low end of the scale For instance, knowledge that the individual makes repeated suicidal

(*Continued from previous page*)
"Assessment of Outcome by Independent Clinical Evaluators", in *Psychotherapy Change Measures*, (ed), I E Waskow and M B Parloff, Washington, D.C., Government Printing Office, 1975.

attempts and thus requires constant supervision is sufficient, by itself, to warrant rating a patient in the 1-10 range. On the other hand, before an individual can be given a very high rating it is necessary not only to determine the absence of psychopathology and any serious impairment in functioning but also to ascertain the presence of signs of positive mental health

Because the scale covers the entire range of severity, it can be used in any situation or study where an overall assessment of severity of illness or degree of health is needed In most cases, only a portion of the scale will actually be used For instance, community studies will rarely have individuals in the lowest range, whereas studies involving newly admitted psychiatric patients will rarely have individuals in the highest intervals Many individuals, however, who may have been rated in a very low range on admission may be sufficiently recovered at follow-up and warrant a rating in one of the higher intervals

The GAS may seem somewhat unwieldy, but there is considerable empirical evidence suggesting that it can function rather adequately.[30] Special purpose instruments embodying the same underlying principle could be developed to serve the needs of professionals involved in the delivery of social services other than mental health programmes. These GAS-equivalents would provide the basis for a global assessment of client status at intake and periodically thereafter. The data generated in the process will indicate whether social service agencies are meeting their objectives[31] They will also help to detect programme weaknesses and suggest possible programme improvements (feedback as well as control).

The third instrument developed by mental health professionals, and potentially the most useful for monitoring system performance in the social services, is *goal attainment scaling* (Annexure 3). As the name implies, goal attainment scaling rests in the general tradition of goal-oriented evaluation. At its simplest, goal-oriented evaluation involves setting a goal/objective, implementing a programme, determining subsequent goal attainment and using this information to modify future activities (in a MBO-like fashion).

Goal attainment scaling makes two important additions to the general form of goal-oriented evaluation just described The first is a 5-point scale of individualised potential outcomes. 'Goal attainment' has traditionally been a dichotomous measurement, which means that only two outcomes are possible, attainment or non-attainment In this traditional model, if a goal is achieved, there is no meaningful standard to determine if expectations were

[30]In particular, see, J Endicott, *et. al., op cit*, pp 766-771, L Rotenberg, M. Gordon and W Underhill, *The Client-Oriented Cost-Outcome Project of the Mental Health Treatment Center of the Reading (Pa) Hospital,* Philadelphia, 1974 (mimeographed).

[31]After all, changes in global ratings from the beginning to end of 'treatment' are possibly the best indicator of whether the programme is having the desirable impact on its clientele

significantly exceeded; and if a goal is not attained, it is difficult to assess the magnitude of the failure. Goal attainment scaling improves this situation by placing the target goal in the centre of a range of possible outcomes from 'most unfavourable' and 'less than expected' on the one end, the 'expected outcome' in the middle, and the 'more than expected' and 'best anticipated' on the other end. This is incorporated in the left column of our goal attainment follow-up guide.

The second modification that makes goal attainment more useful is the summary goal attainment score. Computation of the score is detailed later in the article, but it may be thought of as a weighted average of scores on individual goal attainment scales. This reflects the fact that although an individual or a total programme may have several goals, it is nonetheless desirable to combine the score for the attainment of each goal into a single overall numerical value. A goal attainment score of 50 indicates that a series of goals have, on the average, been exactly attained; a score of more than 50 indicates that attainment has tended to exceed expectations; a score of less than 50 indicates that it has tended to fall short of expectations (in MBO terms a score of less than 50 calls for remedial action).

The core of goal attainment scaling is a goal attainment follow-up guide such as the one illustrated in Annexure 3. A goal attainment follow-up guide is a grid-shaped form consisting of a series of discrete 5-point scales. When the follow up guide is filled out, each scale represents a separate client or programme goal area. The five levels of each scale are defined by concrete behaviours arranged along a hierarchy of possible outcomes (as already mentioned these include : 'most unfavourable treatment outcome thought likely', 'less than expected success with treatment', 'expected level of treatment success', 'more than expected success with treatment' and 'best anticipated treatment success') Use of the follow-up guide involves six steps : (1) selection of goal areas, (2) weighting, (3) selection of follow-up time, (4) statement of the expected outcome, (5) completion of the four ancillary scale levels, and (6) follow-up employing the scale and calculation of a goal attainment score

The first of these steps entails the selection of scale headings that identify high priority goal areas In terms of an individual client, this most often means pinpointing areas where an undesirable set of behaviours should be minimised, or where a favourable set of behaviours should be maximised. Once a goal area is selected, it is recorded in the title section above the scale. Only those goals considered relevant to the service endeavour are included. Usually between three and five goal areas are singled out. There is, however, no limitation on the number of goals that can be chosen for any given client. This provision stems from the desire to have the scaling process reflect the clinical realities of the treatment unit (in our goal attainment follow-up guide the specific goals are . (1) to reduce fear of sex involvement, (2) to reduce dependency on mother, (3) to improve decision-making ability,

(4) to improve social functioning, and (5) to improve performance on the Minnesota Multiphasic Psychological Inventory.[32]

The second step involves the assignment of a numerical weight to each goal area.[33] A weight may be any number from 1 to 99 and should reflect the relative importance of the goal areas The higher the weight, in comparison with other weights on the follow-up guide, the higher the level of importance. Several goal areas may be given the same weight, or all may be weighted equally by assigning no weights at all. This is a subjective judgment by the person(s) constructing the follow-up guide (the goal areas included in our goal attainment follow-up guide have been assigned the following weights · fear of sex involvement, 20; dependency on mother, 30, decision-making, 20, social functioning, 30, and MMPI-78, 10)

The third step entails determining the time period for which the scale will be scored The follow-up date may be the same for all goals or it may be adjusted in line with the unique attributes of each, but in either case the degree of expected attainment specified in the middle level of each scale should be based on the time period for which the goal will be scored When a group of clients or programmes are compared, a common time period is normally used.

The fourth step involves stating the outcome that is expected in each goal area (*i e*, the 'expected outcome'), taking into consideration the time interval until follow-up and the quantity and quality of service that is to be provided The expected outcomes can be deemed prognoses, in that these middle-points are the guide constructors' estimate of the most probable levels of goal attainment The goals need not necessarily be quantified, but they must be expressed in such a manner that two independent observers could agree on whether they have been attained Although some goals are sufficiently observable in themselves (*e.g*, 'employed full time for the past month' can ordinarily be ascertained by talking to the client or another informant), the investigation of other goals may call for a separate attainment criterion (*e g*, 'reduced depression' would probably require symptom indicators such as 'the client is able to sleep eight uninterrupted hours each night') Follow-up, of course, is considerably easier if each outcome level is defined by concrete behaviours that can be directly observed or reported

Employing the 'expected outcome' as a benchmark, the next step is to complete the four remaining outcome levels on the scale. In this respect, the 'expected outcome' should be the level judged to be the most probable result if the client receives adequate service (or, in the case of programme goals, if the programme is effectively implemented) The two adjacent cells

[32]The logic and functions of the MMPI are lucidly explicated in, R S Cattell, *The Scientific Analysis of Personality*, Harmondworth, Penguin, 1967.

[33]For a succinct discussion of the problem of assigning weights to goals, see, V N Campbell and D.G. Nichols, "Setting Priorities Among Objectives", *Policy Analysis*, 3, Fall, 1977, pp 561-578.

represent less likely outcomes, whereas the two extreme cells represent unlikely but still plausible outcomes. A completed scale should contain five mutually exclusive levels (cells) and represent an exhaustive and internally consistent continuum of all possible outcomes in relation to a particular goal area (in practice it is often sufficient to define the expected outcome and at least one of the levels above and one below it).

The last step in the use of goal attainment scaling is follow-up. Follow-up scoring simply entails determining which of the relevant outcome levels best describes a client or a programme at the time of follow-up, and placing an X or an asterisk in the corresponding cell. Each scale may be scored only at one level, signalling that attainment was at least at that level but not quite up to the next one. It is permissible, however, to place an X or an asterisk on the line between cells.

Once goal attainment has been indicated on each scale at follow-up, it is possible to calculate a goal attainment score. The goal attainment score may be thought of as an average of the outcome scores for the various goal areas, but an average that has been adjusted for, (1) the relative weights assigned to the goals, (2) the varying number of goals, and (3) the typical inter-correlation amongst the goal scales. Conceptually, the goal attainment score is tantamount to a global index of the degree of which outcome expectations (and, therefore, objectives) have been realised. The mathematical derivation of the computation formula for the goal attainment score is to be found in Kiresuk and Sherman.[34] We reproduce here the formula alone, which is :

$$\text{Goal Attainment Score} = 50 + \frac{10\Sigma(\omega_i x_i)}{[0.7\Sigma\omega_i^2 + 0.3(\Sigma\omega_i)^2]^{1/2}}$$

Where ω_i is the weight assigned to the i^{th} goal scale, x_i is the attainment score (—2 to +2) on the i^{th} goal scale, and the summations are across all of the goal scales in the follow-up guide As intimated earlier, this formula yields a score of 50 if outcomes are at the 'expected' level, a higher score if there has been an 'over attainment' of goals, and a lower score if outcome expectations have not been fulfilled

Goal attainment scaling, we believe, affords a potentially powerful tool for monitoring system performance in the social services. Like the client satisfaction questionnaire and the GAS it has mainly been applied by clinicians in conjunction with treatment administered to individual clients. It could prove equally useful, however, in group (including community-wide) settings (the same can be said of the client satisfaction questionnaire and the

[34]T J Kiresuk and R E Sherman, *op. cit*, pp 443-453.
See also, T.J. Kiresuk, "Goal Attainment Scaling", *Evaluation*, 1, 1, 1973, pp. 12-18; T J Kiresuk and S H Lund, "Process and Outcome Measurement Using Goal Attainment Scaling", in *Program Evaluation* (ed.), J Zusman and C R. Wurster, Lexington, Heath, 1975

GAS). Even more than the GAS this instrument seems to have the built-in capacity to assist service providers in zeroing in on programme weaknesses and guiding them in their quest for programme improvements [35]

CONCLUSION

The social services are facing an acute crisis of accountability. The real resources at their disposal are shrinking at an accelerating pace and they are forced to temper their humanitarian ethos with increasing doses of rationality. The latter creeps in by way of management techniques amongst which MBO is one of the most visible. For MBO to be implemented successfully, however, considerable attention has to be paid to the control phase of the process and

[35]In this connection it should be noted that a variant of goal attainment scaling, called *Patient Progress Report* (PPR) is also widely used by mental health professionals As a clinical goal-monitoring system, the PPR is similar to goal attainment scaling in that goals (target areas) are set for individual clients, but it is different in that scale values vary from 1 to 7 (1 being the desired state of affairs, 7 the more undesirable state) Goals are set for clients by the service providers and at specified time periods; each client's progress is reviewed by the staff involved; and the client's level of goal attainment is ascertained Initial goals and subsequent progress of individual clients are processed and stored by a computer enhancing communications about the status of clients Aggregation of findings can be used to estimate the effectiveness of various treatment modalities See, in this connection, J.L Franklin and J.H. Thrasher, *An Introduction to Program Evaluation*, New York, Wiley, 1976 See also, W Edwards, "Social Utilities", *Engineering Economist*, VI, Summer, 1971, M. Guttentag, "Subjectivity and its Uses in Evaluation Research", *Evaluation*, 1, 2, 1973, pp 60-65

Another, somewhat less elaborate variant of goal attainment scaling that is employed in the mental health field is the *Goal-Oriented Automated Progress Note* (GAP) The GAP is basically a method to describe the client's problems, set realistic goals and select appropriate means for reaching the goals efficiently The service providers select appropriat goals from a list of 703 goal statements grouped into five major categories medical, symptom, self-concept, client-initiated interaction, and disposition plan Attached to each goal statements are two scales—one indicating the importance of this goal for the client and the other for recording client movement towards or away from this goal Methods to be used are also rated by the staff involved Staff members (and others, if necessary) make ratings on progress towards initial goals at specified intervals and also review goals and methods for adequacy. Evaluation consists of aggregating success scores and disseminating these to key programme managers. See, in this connection, J L Franklin and J H Thrasher, *op cit*

The most simple variant of goal attainment scaling to be found in mental health practice is the *Concrete Goal Setting* (CGS) Essentially a record keeping system, the CGS provides for systematic review of a client's progress A record (5 x 8 card) is created for each client containing the date of review, concrete goals for the client, methods or techniques for aiding the client to reach goals, staff members with major responsibility for client, and date of next review The data generated by this instrument can be used for assessments of client goal attainment, comparisons of methods or techniques most effective in aiding clients to reach goals, and if aggregated across all clients of a programme, furnish a rough measure of programme effectiveness See, in this connection, J L Franklin and J.H Thrasher, *op cit*

social service providers have been distinctly neglectful in this respect. Unless the ultimate purpose of the whole exercise is just to furnish a loose framework[36] for programme planning and delivery rather than actually manage-by-objectives, it is imperative that a portfolio of instruments be developed with a view to monitoring system performance in the social services. Such instruments already exist in the field of psychiatric care in the form of the client satisfaction questionnaire, global assessment scale, goal attainment scaling and their variants. They can be redesigned to serve the special needs of the great part of social service providers.

[36]On the value of MBO as a general framework for management action see, H.S Havens, "MBO and Programme Evaluation, or Whatever Happened to PPBS?", *Public Administration Review*, 36, January-February, 1976, pp. 40-45. Havens is of the opinion that the principal value of MBO lies in forcing people to think about the objectives of their activities in a more clear and precise way. The same point is made in, J. Jacques and E J Ryan, Jr., "Does Management by Objectives Stifle Organizational Innovation in the Public Sector", *Canadian Public Administration*, 21, Spring, 1978, pp 16-25.

Annexure I

CLIENT SATISFACTION QUESTIONNAIRE*

Please help us improve our program by answering some questions about the services you have received at the . We are interested in your honest opinions, whether they are positive or negative *Please answer all of the questions* We also welcome your comments and suggestions. Thank you very much, we appreciate your help.

Circle your Answer

1 How would you rate the quality of service you received?

4	3	2	1
Excellent	Good	Fair	Poor

2. Did you get the kind of service you wanted?

1	2	3	4
No, definitely not	No, not really	Yes, generally	Yes, definitely

3 To what extent has our program met your needs?

4	3	2	1
Almost all of my needs have been met	Most of my needs have been met	Only a few of my needs have been met	None of my needs have been met

4. If a friend were in need of similar help, would you recommend our program to him/her?

1	2	3	4
No, definitely not	No, I don't think so	Yes, I think so	Yes, definitely

5 How satisfied are you with the amount of help you received?

1	2	3	4
Quite dissatisfied	Indifferent or mildly dissatisfied	Mostly satisfied	Very satisfied

6 Have the services you received helped you to deal more effectively with your problems?

4	3	2	1
Yes, they helped a great deal	Yes, they helped somewhat	No, they really didn't help	No, they seemed to make things worse

*W.A. Hargreaves and C C Attkisson, "Evaluating Program Outcomes", in C C Attkisson, *et al*, *op cit*, p 309.

7 In an overall, general sense, how satisfied are you with the service you received?

4	3	2	1
Very satisfied	Mostly satisfied	Indifferent or mildly satisfied	Quite dissatisfied

8. If you were to seek help again, would you come back to our program?

1	2	3	4
No, definitely not	No, I don't think so	Yes, I think so	Yes. definitely

Write Comments Below :

Annexure 2

GLOBAL ASSESSMENT SCALE

Rate the subject's lowest level of functioning in the last week by selecting the lowest range which describes his functioning on a hypothetical continuum of mental health-illness For example, a subject whose "behavior is considerably influenced by delusions" (range 21-30) should be given a rating in that range even though he has "major impairment in several areas" (range 31-40). Use intermediary levels when appropriate (*e g.*, 35, 58, 63). Rate actual functioning independent of whether or not subject is receiving and may be helped by medication or some other form of treatment

100–91 No symptoms, superior functioning in a wide range of activities, life's problems never seem to get out of hand, is sought out by others for his warmth and integrity.

90–81 Transient symptoms may occur, but good functioning in all areas, interested and involved in a wide range of activities, socially effective, generally satisfied with life, 'everyday' worries that only occasionally get out of hand.

80–71 Minimal symptoms may be present but no more than slight impairment in functioning, varying degrees of everyday worries and problems that sometimes get out of hand

70–61 Some mild symptoms (*e g* , depressive mood and mild insomnia) OR some difficulty in several areas of functioning, but generally functioning pretty well, has some meaningful interpersonal relationships and most untrained people would not consider him 'sick'.

60–51 Moderate symptoms OR generally functioning with some difficulty (*e g.*, few friends and flat affect, depressed mood, and pathological self-doubt, euphoric mood and pressure of speech, moderately severe antisocial behaviour)

50–41 Any serious symptomatology or impairment in functioning that most clinicians would think obviously requires treatment or attention (*e g* , suicidal preoccupation or gesture, severe obsessional rituals, frequent anxiety attacks, serious antisocial behaviour, compulsive drinking)

40–31 Major impairment in several areas, such as work, family relations, judgment, thinking, or mood (*e g* , depressed woman avoids friends, neglects family, unable to do housework), OR some impairment in reality testing or communication (*e g* , speech is at times obscure, illogical, or irrelevant), OR single serious suicide attempt

30 Unable to function in almost all areas (*e g.*, stays in bed all day),
| OR behavior is considerably influenced by either delusions or hallu-
| cinations, OR serious impairment in communication (e.g., sometimes
| incoherent or unresponsive) or judgment (*e.g* , acts grossly inappro-
21 priately).

20 Needs some supervision to prevent hurting self or others, or to
| maintain minimal personal hygiene (*e.g.*, repreated suicide attempts,
| frequently violent, maniac excitement, smears faces), OR gross
11 impairment in communication (*e.g.*, largely incoherent or mute).

10 Needs constant supervision for several days to prevent hurting
| self or others, or makes no attempt to maintain minimal personal
1 hygiene.

SOURCE . J Endicott, "The Global Assessment Scale", *Archives of General Psychiatry*, 33 (June, 1976), p. 768.

Annexure 3
GOAL ATTAINMENT FOLLOW-UP GUIDE

	Goals				
Goal Weights *Outcome Value*	*Fear of Sex Involvement* 20	*Dependency on Mother* 30	*Decision-making* 20	*Social Functioning* 30	*MMPI—78* 10
Most unfavorable treatment outcome thought likely (–2)	Avoidant No dating No sex	Lives at home Does nothing without mother's approval	No new decisions made, still weighing same alternatives (job, vocation)	Institutionalized prison or hospital	Up at all over previous score
Less than expected success with treatment (–1)			Complains of being unable to make up mind	On probation Further arrests	Remains in double prime range
Expected level of treatment success (0)	Dating Petting	Chooses own friends, activities without checking with mother Returns to school	Makes up mind on vocation, other major items	On probation No further arrests for peeping	Mid 60's - T-score
More than expected success with treatment (1)	Some satisfactory intercourse			No contact with police, states peeping no longer a problem	
Best anticipated treatment success (2)	Regular dating Regular satisfactory intercourse Marriage	Establishes own way of life Chooses when to consult mother			40-60 T-score

SOURCE T J Kiresuk and R E Sherman, "Goal Attainment Scaling", *Community Mental Health Journal*, 4 (6, 1968), p 446.

Challenges in Railway Administration in the Coming Years

A. V. Poulose

THE INDIAN railways have a chequered history of over 127 years, including three decades of planned development. They occupy a predominant place in the transport sector of the country. This oldest, and the largest undertaking of the Government of India, ranks as Asia's first and the world's fourth largest railway system. Amongst the railway systems under unitary management the Indian railway system is second only to the Soviet railway network. It is among the few in the world today with a degree of financial viability

With assets at Rs. 6185.7 crores and a regular work force of 1.5 million, the railways run about 11,000 trains daily connecting over 7,020 stations across the country It carried 3,719 million passengers and 223 million tonnes of freight in 1978-79, contributing to national integration as well as economic development.

Until the 1950s the railways had a near monopoly of the transport sector, but, with the rapid development of the road transport sectort the railways' share of the total transportation decreased from 90 per cent to 65 per cent in freight traffic and from 75 per cent to 40 per cent in passenger traffic. Nevertheless the railways continue to be the life line in the nation's transport map.

The reasons why the railways will continue to dominate the transport scene are obvious. Economic development needs, as well as promotes, growth of the railway system And then, the seemingly unending oil price hikes shift the traffic inevitably from road to rail. Passenger traffic (in passenger kilometres) had increased threefold from 66.5 billion in 1950-51, the first year of the era of five year plans, to 193 billion by 1978-79. Similarly freight traffic, (in net tonne kilometres), went up by three and a half times from 44 billion to 154 8 billion over this period But these levels of traffic are nothing compared to what the railways are expected to handle by 2000 AD Recent futuristic assessments by the National Transport Policy Committee (NTPC) and the Rail Tariff Enquiry Committee (RTEC) arrest attention The NTPC puts the passenger traffic by the turn of the century at 520 billion passenger kilometres; RTEC places it around 488 billion. The respective freight traffic

figures are around 450 billion and 400 billion net tonne kilometres The railway's own corporate plan for the longer term is being updated

The validity of the assumptions underlying these long range estimates, the capability of the economy to generate resources for the massive investments needed to augment capacity, the feasibility of the component programmes and projects and so on will be subjected to critical examination and review during the successive plan exercises. But it would be safe at this stage to say that the railways would be called upon to handle, in another two decades, two and a half to three times the volume of traffic they are currently handling This is the multifold challenge now facing the system

CAPITAL INPUTS

The biggest element of this challenge will be in raising adequate financial resources for rehabilitating and modernising the existing facilities, creating additional capacity and new routes to handle the larger traffic According to the projections made by RTEC, the railways would need to invest a minimum of Rs. 36,000 crores, at the 1977-78 price level, for creating additional facilities (Rs 25,000 crores) and for replacement of assets (Rs 11,000 crores) during the next 20 years This is about four and a half times the total amount of around Rs 8,000 crores (at prevailing prices) invested during the last 30 years upto the end of 1979-80.

MODE OF RAISING CAPITAL

Railway investments on assets, charged to the capital account, come from the central exchequer as interest-bearing, non-repayable loans. On them, the railways pay a dividend to the general revenues (interest plus a small contribution from the surplus) at rates fixed by a parliamentary committee known as the Railways Convention Committee. The current rates of dividend are 5 5 per cent (including 1 per cent in lieu of the passenger fare tax abolished) on capital invested prior to March 1964 and 6 per cent thereafter Various concessions in the form of exclusion from the dividend-bearing capital, of the capital-at-charge of strategic lines, uneconomic lines and the north-east frontier railway, lower rate on capital invested on residential buildings, moratoria in respect of new lines under construction, deferred dividend accounts and the deduction of loss on operating strategic lines from the dividend payable, and so on, have also been allowed to the railways in consideration of the disabilities they bear in discharging their role as a public utility. The most significant concession allowed to the railways in the recent past is that they have been freed from the crippling burden of borrowing on current account, on hard terms, for making up shortfalls in dividend payment; instead, they now carry forward such shortfalls in deferred dividend accounts to be discharged in future surplus years.

Suggestions have been made that the railways should have their capital converted partly into equity and partly as loans and that railway bonds may be issued for raising new resources. Another school of opinion advocates the levy of a surcharge on passenger fares and freight specially for a fund for laying new lines in backward areas. A variant of this is that the railways should be allowed to use, at least part of their surplus, for developmental works, outside the plan process. Now that the public sector undertakings have been allowed to accept deposits from the public it could be argued that the railways should also be allowed the same facility.

All these suggestions run counter to the concept of national economic planning Most of these suggestions were examined at some length in 1978 by an expert group on the capital structure of Indian railways, which concluded that any restructuring of the capital of the railways to bring in the concept of equity capital as in the case of other public sector corporations would not be proper for an undertaking run as a department of government. In a planned economy, all the resources, from all sources, are deemed to be available in a national pool of resources, to be allocated to the various sectors according to the priorities determined through the planning process. There is little sense in allowing different departments of the government to compete for the scarce capital resources in the same field. There is no rational alternative for the railways but to find their resources for capital investments as loans in perpetuity from the central exchequer within the national plan framework.

It remains a fact that adequate expansion in the route kilometres has not taken place in the past. Only about 7,000 kms. of new routes have been added since independence Even now there are severe regional imbalances in the infrastructural rail transport facilities. The main reason for this is the lack of resources. The plan allocations have progressively declined both for the transport and communications segment in general and for railways in particular Plan outlays for railways as a percentage of outlay for transport and communications after raising from 58.5 per cent to 68.2 per cent between the First and the Third Five Year Plans, dropped to as low as 30.2 per cent in the Fifth Plan. As a percentage of total public sector allocation, the railway outlay declined from the level of 19 to 21 per cent during the first three five year plans to 7 per cent in the Fifth Plan. There is a strong case for including the railways, indeed, the transport industry, in the priority sector This need has acquired an urgency as at least 5,000 kms of new lines have to be built in the next 20 years, according to NTPC.

RELIEFS TO BE PROVIDED

Compromise between differing perceptions is a hallmark of the democratic method of functioning, and it has to be accepted as a fact of life that at least some of the investment decisions would be based mainly on political compulsions Cases which are justified on the basis of social cost benefit

studies, while warranted on national considerations, would affect the financial viability of the railways In all such cases, it will be necessary to work out some arrangements, thereby the railways are compensated not only by exemptions from dividend payment but also through subsidies to cover the operating losses

INTERNAL RESOURCES

While capital assets are financed entirely by the funds made available by the central exchequer, replacement of assets, including the inflationary and improvement cost elements thereof, provision of labour and users' amenities, works in the nature of unremunerative operating improvements and minor assets are financed from the internal resources of the railways These internal resources are made up of retained surplus, depreciation provision and net increases in reserve fund balances. The railways have contributed, so far, internal resources at roughly over 30 per cent of the plan outlays. This is an impressive record. But the RTEC expects that the railways should be able to generate around 40 per cent of the total investments required as internal resources in the coming years.

By far the largest component of internal railway resources is the depreciation provision. Depreciation accounting, conceptually and methodologically, has generated considerable controversy in the world of accountancy Practices in this regard have varied from country to country as also with reference to the purpose, such as taxation A universally acceptable method of depreciation accounting is not in sight There have lately been suggestions that the depreciation provision has been unduly depressed by the "wily accountants" of the Railway Board to show artificial surpluses The policy of financing renewals and replacements has changed over a century but the railways have a depreciation fund since 1924 Contribution to it is currently determined by the replacement expenditure required in each plan period, adjusted to the physical capacity to incur it. True, arrears of replacement have accumulated, a problem aggravated by the fact that the assets created in the First Plan are due for renewal. But the inadequacy of the depreciation provision has been due, not to lack of awareness of the need nor to any deficiency in theory or practice, but to hard facts that restricted the railways' ability to set apart funds for the purpose in required measure.

If the railways have had the freedom to price their services on the basis of costs and if social burdens were compensated for, the depreciation fund could easily have been more by Rs 1500 crores over the last decade On the other hand, in a capital-scarce developing economy, it may be unwise to determine depreciation provision on purely theoretical grounds What is needed is to strike a balance between the four factors, namely, need-based replacement requirements, capacity to generate internal resources, size of available plan allocation and the physical capability of executing the renewal and replacement programme.

The normal method of financing replacements through the depreciation provision carved out of the revenues from year to year may have to be supplemented—as a medium term plan for overtaking the heavy arrears in replacements—by availing of the deferred payment facilities under suppliers' credits from friendly foreign countries for import of rolling stock, rails and steel, sleepers and other materials and components which cannot be produced by the country within the required time-table. Although this may work out to be more costly in financial terms, the liabilities will be spread over around ten years, and in economic terms it may prove beneficial to the nation in the long term

INTEGRATED PLANNING

Planning for infrastructural facilities like the railways pose intricacies not encountered to the same extent elsewhere. On the one hand, railways are the beneficiaries of economic development. On the other hand, they are at once the cause and the victim of sluggishness in the economy. Unless the carrying capacity matches the requirements in the areas concerned and in time, there will be either uneconomical premature investments, as had happened in the past, inviting serious criticism by parliamentary committees, or investments dangerously inadequate for economic development. It is imperative that the total planning and monitoring processes, not only on the railways but also in regard to the other sectors, should be refined continuously through finely coordinated efforts to ensure a near realistic, if not a perfect matching of the demands for rail transport with the availability of rail capacity.

FINANCIAL VIABILITY

In the matter of financial viability, Indian railways have had a fairly good record Except for a decade from 1966 to 1976, when they were in the red, the Indian railways have put by sizable surpluses, after meeting all the operational costs, reasonable contributions to the depreciation reserve and towards interest liabilities to the government.

Uneconomic rates, uneconomic services and many social obligations have affected financial viability quite adversely. While economic and commercial considerations clearly justify significant upward revisions in the freight and fare structures to neutralise the ever increasing costs and the closing down of some of the services, political and social considerations have prevented the railways from adopting either of these remedies.

PRICING

Tariffs on the railways have been always on the basis of the twin principles of cost of service and the value of service with ample cross subsidisation.

Keeping in view the postulates that it will not be desirable to forego a return on the capital deployed on the railways; that the return should be 10 per cent; that except for very special reasons no stream of traffic should be carried at rates which would not for that traffic stream, as a whole, meet the costs directly attributable to it and that freight traffic and passenger traffic should pay their way separately, and that one should not subsidise the other, the RTEC have made a number of valuable recommendations regarding adjustments of freight rates and fares. The NTPC have also emphasised the need for bringing the tariffs in line with costs

It is clear that the substantial revisions proposed can be implemented only over an extended period, running into several years in a few cases, as in the case of suburban fares, on account of the very wide gaps between costs and tariffs. In order not to repeat the same situation in the future, it is imperative that freight rates and fares are escalated currently every year with reference to the formulae recommended by the RTEC which provides for automatic adjustments with reference to increases in staff and energy costs and escalation in the prices of stores and other materials.

However much one may wish to attain ideal conditions in regard to investments and cost based pricing, as long as the dual role of the railways as a public utility and a commercial undertaking exists, there is no escape for the railways from being called upon to bear some social burdens, especially in India where about half the population remains below the poverty line and where there are many backward areas to be linked on the railway network The best that can be hoped for is that the magnitude of this will not be the same as in the past and that it will progressively decrease Further, it may be hoped that through some institutional arrangements, be it the National Transport Commission as recommended by the NTPC, or any other agency or body that the government may set up, subsidies would be allowed to the railways for the proven social burdens they are called upon to bear for the good of the society at large.

COSTING OF SERVICES

Both in the context of re-aligning tariffs with costs and in establishing the magnitude of social burdens, it becomes imperative that the arrangements for costing of services on the railways are strengthened A reliable costing system is also essential for assisting in profitability analysis of different types of services, cost control, economic evaluation of operating practices and technological changes and investment decisions Traffic costing all over the world has faced complex problems arising out of the predominance of fixed costs and the phenomenon of joint or common costs the apportionment of which amongst various services calls for intricate exercises the acceptability of which can always be questioned. Different approaches are also possible about the need for obtaining fully distributed costs.

MODE OF TRACTION

The economics of the three types of traction—steam, diesel and electric—and the dimensions of the investments required have more or less established the order of transition from steam to diesel to electrification. In the context of the energy crisis the emphasis has to be shifted to electrification, and the intermediate stage of dieselisation may have to be resorted to sparingly. A natural temptation may be to suggest a return to steam traction. While there cannot be a serious suggestion to go back to the least energy-efficient outmoded steam traction, it will not be practicable, though attractive on financial and economic considerations, to eliminate steam traction on the Indian railways, as some of the locomotives now on the system will complete their useful lives only around the second decade of the next century. It is, however, necessary to scrap those that have completed their useful life.

IMPROVEMENTS IN OPERATION

Railways are rightly carriers of bulk commodities over long distances. Eight commodities (coal, iron ore and other ores, foodgrains, cement, mineral oils, iron and steel, limestone and dolomite and fertilisers) account for nearly 83 per cent of the originating tonnage and about 74 per cent of the total earnings from goods traffic Conscious of this role the railways have been pursuing a deliberate policy of encouraging bulk loading in block trains and running of unit and point to point trains; saving on the use of marshalling yards and thus on running time, achieving higher speeds and saving in shunting costs and damages Impressive results have been achieved in this direction and now 82 per cent to 100 per cent of the traffic in coal, ores and mineral oils on the broad gauge and 50 per cent to 56 per cent on the metre gauge move in block rakes.

To provide door-to-door service the railways have introduced 'container service' on selected routes. They have started a 'freight forwarder' scheme to encourage recognised agents to consolidate 'smalls' consignments into wagon loads They have also introduced some super fast goods trains and quick transit services. Proposals under consideration include the setting up, in co-ordination with State Governments and other concerned interests, of 150 container terminals and depots for export-import traffic in view of the phenomenal development in the use of containers in world sea-trade, dumps for coal and other bulk commodities like foodgrains, fertilisers and so on When these and similar other proposals bear fruit and incentives in the form of graded rebates for traffic in train loads or rafts of specified number of wagons as recommended by the RTEC are offered, the proportion of smalls traffic is expected to reduce to insignificant levels

Dieselising of passenger services, increasing the number of coaches, doubleheading of trains, provision of coaches to improved design with higher

carrying capacity, introduction of double-decker coaches and running of super fast mail and express trains are some of the improvements already effected in regard to passenger traffic

Proposals are at various stages of processing, in regard to improvements in assets, operating practices and so on. Between the two high power committees—NTPC and RTEC—practically every aspect of railway operations has been covered. Many of these relate to creation of capacity by having by-passes at congested junctions and provision of alternate corridors, increased electrification, development of consumer sidings where wagons can be loaded in bulk, entering into arrangements with road hauliers for running feeder services, replacement of pilot trains by conveyers to a central depot for future coal raisings, elimination of constraints at transhipment points by selective gauge conversions and by containerisation and piggybacking in a big way, larger technological inputs on the metre gauge system, closing down of narrow gauge lines which are uneconomical, improvements in marshalling yards, and computerising freight traffic operations and passenger reservations

The efficiency of railway operations is highly information dependent, and a meaningful and adequate information and control system can be built up only by summoning operational data This becomes absolutely necessary in the context of gearing up the railways to handle the projected levels of traffic in the coming years An integrated computerised freight operations control system enabling real-time control over wagon movement, yard management, empty wagon distribution, coaching stock management, crew ordering, on-line invoicing, claims management, maintenance scheduling of rolling stock, fuel consumption, revenue accounting, performance budgeting, responsibility accounting and so on can profit the railways immensely. Similarly computerised passenger reservation system providing also for automatic ticketing and passenger traffic accounting will provide a high level of customer satisfaction and efficiency in operation Efforts in this direction are under way Simultaneously efforts are also on to replace, as fast as possible, the outmoded second generation computers which are already in use on all the zonal railways and the production units The pace of the change is, however, slow.

Urgent attention at the apex level seems to be called for to ensure purposeful chasing of proposals, cutting through the bureaucratic barriers, and breaking the psychological resistance, to speed up the processes.

REORGANISATION

The enormous workload that may be generated in the coming years may necessitate bifurcation of some of the existing divisions and possibly even the breaking up of a couple of zonal railways While this may be necessary and desirable purely in the interests of efficient organisation and providing of transportation services, a proliferation of zones or divisions will not be in

the interests of efficiency or economy. There are bound to be regional pressures for setting up divisions and even zonal headquarters in particular areas, regardless of the considerations of operational efficiency and economy. Any attempt at reorganisation will, therefore, have to proceed with caution and firmness of purpose.

TOP MANAGEMENT

At the apex level the management of the railways is vested in the Railway Board set up under the Railway Board Act of 1905. The Board consists of a chairman, who in addition to his responsibilities of coordination, holds charge of a functional portfolio, a financial commissioner, who is at once a representative of the minister of finance in the ministry of railways and a member of the Board in charge of the finance function on the railways, and three other members in charge of engineering, trafficand mechanical engineering respectively. The Railway Board functions both as a ministry and as a top executive body. Its role has multifold dimensions—functional, advisory, technical, coordinating and executive. As both policy making functions and executive functions are looked after by the same Board, policy aspects of a long term nature may not get the desired level of sustained attention of the top five. It will be worthwhile separating the policy making and executive functions, the latter being entrusted to a second tier board of additional members in all the functional areas, by reviving that level of management which had come into existence in the fifties but was abolished in 1977, consequent on a recommendation of the Administrative Reforms Commission. The ARC had also recommended that one more post of member should be created and that the chairman should be left with only coordinations, but this was not accepted In the context of the much larger work load anticipated in the coming years with attendant complexities, it appears essential to strengthen the Board and to clearly bifurcate the policy making and executive functions to be handled at two levels in the Board.

On the zonal railways considerable strengthening of the management positions has taken place recently both at the headquarters and divisional levels As an experiment, the posts of additional general managers (2 on each railway) have been created to reduce the span of control (over heads of departments) of the general manager This pattern would need to be strengthened further.

Delegation of powers and devolution of authority have received attention on a continuing basis in the railways A study of delegation of powers on the Indian railways was also entrusted to the Indian Institute of Public Administration. In an interim report, based on a preliminary study, it has been proposed that while substantial powers have been delegated by the Board, there was further room for greater delegation of powers. As the work load increases, this process will have to be carried forward.

STAFF STRENGTH

Considering that the wage bill accounts for over 42 per cent of gross earnings and over 55 per cent of working expenses, the administration would necessarily have to absorb at least part of the increased work load through higher productivity. In this area also, the railway management would face a challenge in striking a balance between the essential increases justified by the work load and the clamour for making available increased employment potential Upgrading the training arrangements both for staff and officers would also need priority attention

As regards productivity, hopes were pinned on the productivity-linked bonus scheme introduced on the railways as a pace-setter but beneficial effects of the scheme are yet to be realised. There is, however, no escape from making this scheme a success An analysis, in association with all the labour interests concerned, of the reasons for the expected results not forthcoming, seems called for.

The existence of two recognised federations of railway workers with their affiliated unions on the zonal railways and a multiplicity of categorywise associations or unions does create a number of problems in maintaining harmonious industrial relations. It is absolutely necessary to clear the confusion now prevailing Hard decisions may be called for in this area

Major reforms in budgeting and accounting introduced recently include the re-structuring of the demands for grants presented to parliament and the implementation of a revised accounting classification to bring about a complete alignment of accounting heads with the budget heads The new system of accounts provides for easy analysis of expenditure in terms of activity and purpose

Efforts would now be needed to implement performance budgeting expeditiously and for revamping the management information system, action in respect of both of which has already been initiated The full costs and benefits picture would emerge only on the computers, and the outmoded among them will need replacement Introduction of a meaningful performance audit is another aspect which needs immediate attention.

SUMMING UP

In sum, the railways face unprecedented challenges on all fronts, as they move towards the 21st century·

Financially, resources of the order of Rs 36,000 crores will have to be raised for investment, roughly two-thirds for new facilities and a third for replacements An adequate scheme of compensation will have to be settled to cover operating losses and social burdens. The costing, pricing and accounting methods have to be quickly upgraded

On the organisational side, the capacity to handle two to three times the present volume of traffic will have to be achieved. For this the planning and monitoring processes need to be refined continuously, technological inputs have to be enlarged and modernised, production and repair capacities have to be enhanced, handling and hauling operations have to be rationalised and modernised, steam locomotives have to be phased out, and speed and load of trains progressively stepped up.
Administratively, the divisions and zones may have to be reorganised to subserve economy and efficiency rather than extraneous factors; a two-tier system established so that policy-making and executive functions are separated both at the Board and zonal levels; powers must be delegated downwards continually; the productivity-linked bonus has to be worked meaningfully; and finally, a rational basis must be found for trade union activity.

These are formidable tasks and the present phase is not exactly the railways' finest hour. Yet there is little room for pessimism, for the railways have, with confidence, left behind many a sad patch in the past.

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Indian Railways and Development

In absolute terms, India's railway net, like its cotton industry, was large. By 1890 only Britain, the United States, France, Germany, Russia, and Austria had laid down more mileage. Moreover, as a comparison of the relative growth rates in mileage and traffic carried indicate, it was used with increased intensity over the period 1882-1920. It undoubtedly contributed to the expansion of grain and cotton production and exports over these years. It stimulated coal mining, an industry whose existence, in turn, stimulated the search for iron ore and the emergence in the pre-1914 years of an iron and steel industry. It reduced, as it was partially designed to do, the human cost of famine in hitherto isolated regions And it accelerated urbanization. But India was a huge subcontinent. Despite its large railway net, its economy continued to suffer from exceedingly poor communications. And the railroads did not promptly induce or accelerate the emergence of an Indian iron, steel, and engineering industry

—W.W. Rostow
The World Economy, 1978

Health and Development—A New Focus

J. D. Sethi

THE ALMA ATA Conference, by fixing the objective of achieving health for all by the year 2000, has raised great hopes and aspirations among those who have been denied health care for generations if not for centuries. Of course, the poor may never have heard of the Alma Ata Declaration but the debate about it has awakened the decision-makers to find a solution to the tremendous problem of neglect of health care for millions and to assume their responsibility and commitment to meet that problem However, the debate is still confined largely to medical specialists and administrators Though health care has not yet become the core of the theories of development, such agencies as UNICEF and WHO are attempting to formulate alternative strategies of development in which health is allotted an important role. No one is obliged to accept their approaches but we have to feel obliged to them for their having pointed out chinks in our so-called development armour Some of the success stories in health care such as Sri Lanka, South Korea, Thailand, etc , have necessitated, while not being obliged to accept their respective political models, the reformulation of our policies towards a comprehensive and generalised theory of social development because the problem of health cannot be tackled by health measures alone

Once it is recognised that economic growth must flow into social development and social development must have well-defined human objectives, the problem will be well-within the reach of comprehension and solution if enough resources are forthcoming. These exercises will go on, with successes as well as frustrations In the meantime it is absolutely necessary to locate and remove socio-economic barriers and political constraints on the positive programmes of health for all, no matter which model of development or political system is adopted.

There is always the danger of the debate on institutional barriers itself becoming a barrier to arriving at correct policy conclusions The ideologues love such a debate. How far can one delineate on real constraints or socio-economic barriers in the way of achieving goals without going too far away from the subject is not easy to determine. Nevertheless, though it is not always necessary to point out the very obvious, in this case it seems absolutely necessary to do so The obvious is that health should not be viewed in isolation from the overall goals of development Health is both an input and an

output and is firmly and widely linked with development. A rapid and equitable economic development is in itself a good health input; an adequate and equitable health care system stimulates development through improving human productivity. That is why investment in health is sometimes called as investment in human capital. However, if this statement is not to be reduced to mere cliche, investment in human capital is to be properly defined and placed appropriately in relation to total investment

LOW PRIORITY FOR HEALTH

A generalised macro theory of development may appear removed too far from narrow health policy but the theory of sectoral development is certainly not It is quite obvious that health as a sub-sector cannot be considered or even studied separately from other components which form a part of a sector in which the relationship between components is so intimate that if we pull out one component, the whole structure may collapse. For example, if the supply of safe drinking water is not explicitly made a component of health policy, no one can seriously propose a reliable and meaningful health plan for any country or for any set of people. Therefore, health planning has to be one that falls within an overall plan-frame of a multi-sectoral plan which would include water supply, health, education, population control, etc.

The question of allocation of resources for the health sector or its subsector is something about which we are all conscious just as other narrow specialists are conscious of allocations to their respective sub-sectors. Nevertheless, it is a stark fact that allocations for the health sector in India have been meagre in the past and though an effort was made to enhance them in the Sixth Plan, these still remain very limited and show narrow commitment in contrast to loud promises made

We must pause here to ask ourselves why it has been so. Why in some other social sectors, for instance, education, allocations have been considerably larger. There can be no two opinions on the assertion that health should have a higher priority than education. Nevertheless, allocations for education are relatively much larger. In fact, in India, the comparison is most unfavourable. Per capita government expenditure on education is three times that in the private sector, but in health, the position is reversed: private sector's expenditure is three times to that incurred by the government The difference is extremely large. It might sound very harsh but one cannot afford to be polite about definite deception built into health programmes in India It amounts to our treating a large part of population as some kind of human garbage and leaving them to their own devices. Health is not considered politically a very important area and politicians can get away with giving it a low priority. Behind smaller allocations for health lies the kind of cynicism almost unknown elsewhere.

POOR HEALTH CONSCIOUSNESS

Another important aspect of the health status in most poor countries is that people's consciousness about their health problems is rather low This is rather a sad fact but not unexpected. Our people have been told that health is a problem of disease only. WHO and other organisations, for the first time, are attempting to make people conscious about their health status, but they too take a rather narrow view of the problem

Historically, the curious fact remains that consciousness about health in poor nations has been generated by the failure of the population control policies. The subject literature produced in the fifties and the sixties gave little of independent assessment of the health problems or requirements When it was found that population policies could not and would not succeed unless a powerful health input was made into those policies, the international system sat up to look at the problem which ultimately found its expression in the Alma Ata Declaration. That does not mean that the health priorities were drastically changed in practice. We are still in the phase of creating consciousness among the decision-makers about the health status of their peoples and engaged largely in making marginal modifications of the existing systems

All that has been stated above is little more than the obvious and the danger of mentioning the obvious, which is so bleak, is that it may lead to a certain kind of intellectual pessimism that must be avoided. Look at the health status, look at the nature of commitments, and finally look at the historical development of the consciousness of the problem, if one gets pessimistic or angry it is certainly not unnatural But one cannot stop at this point

We must also avoid the other extreme of jumping from cynicism to making facile assumptions Mere acceptance of the principle that health cannot be separated from economic and social development or that it should have very high priority area, or that inter-sectoral cooperation is necessary for the success of any health plan, etc., do not mean anything more than recognition of the problem. These principles are unexceptionable but could easily lead to a lot of confusion or facile optimism if one forgets that they cannot easily be translated into programmes The situation is pretty grim and difficult, not only because the problem is so large but because the commitment is so small.

POOR MADE TO PAY FOR THE RICH

First of all some of the current trends have to be reversed before new tasks can be taken up For example, by and large, in most poor countries, particularly in India, the structure of the health system is such that the poor are made to pay for the health of the rich. At least those who can very well afford to pay for health services must be made to do so. By and large, benefits of the health system go to a very small minority, whereas the burden is

distributed directly among the rest of the population. If health planning does not reverse the prevailing trend, no further change is even conceivable. *Pay-as-you-are-served*, for those who can pay, is certainly not a suggestion for a big radical or political change in the system. There is an urgent need to change those social and political values of the system that force the poor to pay for the health of the rich. Unless as a nation we become conscious of this particular fact and pull no punches about these things, we will do no better than make marginal adjustments to keep the status quo.

Already a terrible marginalisation of the vast sections of the human population in India has gone on for too long; we should not make more of our own contribution to that. Though this marginalisation is the product of the dualistic socio-economic structure that has emerged from two or three decades of wrong priorities in planning, the policies on social services have compounded the problem further. So much so that the dualistic structure now exists along the entire social and economic spectrum. It is not confined only to health or education, one can locate it in every component of the social structure.

If, by and large, all social services provided by the government are appropriated by a small minority, one has to delve into the reasons and process of such estimations. But even without doing that we can learn a lot for policy decisions from results that stare us in the face. Only a small number of people who use the services go up from the earliest to the highest stages and get the best out of the system. The rest of the population, as mentioned earlier, is treated as human garbage. This is typically so of most poor societies and has not come about just as a historical accident; it is a part of a socio-political process or structure which has been created in these countries

Whereas we can certainly applaud all feasible proposals for creating mass consciousness about improving the health status of our people, the results can be frustrating unless attempts are also made to break the dualistic structure of poor societies There is a certain delicate ferocity about the rich in these countries They know how to be very nice and polite when taking away everything They control the political processes, manage or mismanage the economic system, run social services, etc., but all in their favour. Frankly, India like other similarly situated nations, is not one but two societies, with built-in internal colonialism which the intellectual and professional elite, whether in education, health, administration, etc., support ideologically as well as objectively

INIQUITOUS HEALTH STRUCTURE

We should first attempt to answer the question as to why really the health structures as developed over decades have been so totally iniquitous when in some other sectors a greater pressure towards equalisation has been exerted

India's Draft Sixth Plan (1978-83) summarised the reasons in the following way:

> The main reason for this unsatisfactory situation has been the very structure of health care and medical education developed since Independence. The structure has revealed the following weaknesses:
> (*a*) it has been borrowed from industrially advanced and consumer oriented societies; (*b*) it is divorced from social, economic and ecological factors, conditions of work, social stratification, etc.; (*c*) it is unrelated to such other important issues as nutrition, water supply, dietary requirements and habits, food preservation practices, etc, (*d*) its health services have been concentrated mostly in urban areas and here too these services have been largely used by the affluent classes, *i e*, the structure is largely inegalitarian; (*e*) it is largely concentrated at one end of the spectrum (doctors and hospitals) and has practically left out other services that go to meet the needs of the masses at the other end, (*f*) it is based on the medical education system which prepared doctors not for the care of the health of the people but instead for medical practice that is unrelated to anything except disease and the technology dealing with it; (*g*) it has seriously undermined and at places destroyed whatever traditional methods of health care system that existed for centuries in this country, (*h*) it is based on the growing use of drugs instead of their avoidance by improving physical conditions of living and hence is largely influenced by the interests and the philosophy of the drug industry; (*i*) its educational base is divorced from the rest of the education system, particularly informal education, (*j*) it has created imbalance in the supply of various components of the medical services such as doctors, nurses and other paramedical services, etc

The main reason, that the poor countries have borrowed practically the entire medical philosophy and structure from the developed countries deserve some further elaboration. Those who are responsible for running the health system in the developing countries, be they the administrators or the medical men, have become wittingly or unwittingly the cultural transmission instruments of a system which is meant for a society whose plans for health are tied down to a high income and consumption pattern, capital-intensive production structure, and drug-oriented curative system. This is something which we should never have borrowed. The tragedy is that having now realised the mistake we cannot easily apply the corrective in view of the opposition from the vested interests that grew in this period.

If American or European standards and the health system tied to them are recommended as the objective, then we have also to accept that in this world only about one billion people instead of four billion can hope to live with those standards If the poor nations of the world could afford that

kind of health system, there will be no poor left in the world. Therefore, when comparisons are made about relative spending on health in the poor countries with that in Sweden or United States or Britain, it is forgotten that the two are related to different economic and wealth structures. The comparison is totally invalid and indeed, when made and accepted, has proved absolutely suicidal as it clearly stipulated reliance on borrowed models of health from the developed nations. The poor nations, particularly India, were not in a position to create the requisite economic or social conditions for that kind of system.

Poor nations have compounded their difficulties by creating for themselves another set of problems. The very structure of development that they have created in their respective countries has got stuck on rural-urban dichotomy which is now distorting the distribution of all social services including health. For example, in India urban areas are over supplied with doctors, whereas rural areas are starved of their services. This is true of most other poor countries. In fact, we have a double dichotomy: the first between the rich and the poor and the second between the rural and the urban; the two are not separate but overlap. The divide is not between the rural rich and the urban rich but between them taken together, on the one hand, and the rural poor and the urban poor, on the other. No wonder high capital intensity associated with economic developmental structure has also imparted a corresponding capital intensity to the social sector. India, for instance, has installed in urban areas, hospitals and medical institutions which rank as good as anywhere in the world in terms of trained doctors and sophisticated equipment. But mostly the rich and the middle classes, whether of the rural or urban areas, use these services In other words, the whole social and economic structure is dualistic and dichotomous as mentioned earlier. High capital intensity in social services is partly borrowed and partly is the result of the preference system of the elite minority.

Therefore, social-economic barriers to social and health planning have turned out to be far more serious than we seem to comprehend The structure of the power elite in poor countries like India, be it the business elite, the political elite or the bureaucratic elite, indeed the entire elite class, has so much monopolised social services and exploited the poor, and for so long, that it has become insensitive to the health of the nation.

The interface between the bureaucracy and the people has also become increasingly negative; a negative reciprocity pervades in most social welfare sectors, particularly health. Within the bureaucracy there are numerous intra-bureaucratic imbalances. That is why it is becoming impossible for a few bureaucrats to work together, whether at the highest level or the lowest level

But now the structure has been caught in its own contradictions One of the important reasons for the poor nations' inability to optimise their social services is the elite fragmentation in these countries. More importantly, new

socio-political barriers appear on the surface because of the inability of the elite to identify itself with the interest of the masses. This should not lead us to define the role of this elite negatively. The word 'elite' is used here not in the pejorative sense. The power elite can play a positive role in the sense that besides enjoying power and legitimacy, it consciously identifies its interests with the interests of the vast masses History gives examples of many countries whose power elite imbibed and practised the identification of their own interests with the interests of the masses over a large area of economic activity. It is not that those elite created eminently equitable systems, but they consciously strived to meet the basic needs of the masses, protect them from too much exploitation, and give them, through an extensive delivery of social services, opportunities to improve their prospects This is not happening by and large in the developing countries today and the result is that all kinds of authoritarian regimes and situations, all kinds of exploitations, and all old and new alienations between the elite and the masses characterise their societies, often leading to explosive situations.

Assuming that at some point the elite will recognise its responsibility, it is necessary to be clear about the objective For what is desirable or possible may not be politically acceptable. Unless the situation gets politically so degenerate and socially so corrupt that we cannot do anything, we have to plan for health and related non-health programmes as a common elite objective For both administrative and political reasons, it is absolutely necessary, as suggested above, that the health system should be tied up with one or two other major programmes to achieve the given objective This is suggested not because health cannot be programmed in isolation, but because, when tied to related programmes, health programmes can be optimised and have a chance of survival under difficult conditions because they may attract the support of one or the other political element This approach of integrated programmes is all the more important for a long-term planning perspective in health at a time when other programmes are also having a similar perspective The most obvious example is the joint planning of rural development, rural employment and rural health programmes

This is a much larger issue, indeed It points to the fact that it may not be possible to achieve the WHO health target fully by the year 2000 if some other related objectives are not achieved to the same level There is a good reason for saying so If poverty is not removed by the year 2000, health for all by the year 2000 can never be achieved That is why it is suggested that planning for health should be dovetailed with one or two major variables of the developmental model, which has both direct developmental and poverty-removing programmes No third world country, certainly not India, ever prepared a plan in which health planning was dovetailed with at least one other such programme

To be more specific, if the health objective is to be achieved in the most effective way and the shortest possible time, it should be tied to employment

programmes. There are two reasons for this: (1) health is a serious problem for those who are under-employed, and (2) employment programmes will not succeed if minimum health protection is not ensured for those seeking employment outside their residence. Indeed, if near full-employment is not achieved by the year 2000, the Alma Ata Declaration, like many other UN declarations, will remain an empty slogan. On the other hand if employment, with a certain minimum wage rate, is guaranteed to every one, a part of the long term health problem, such as nutrition, would have been taken care of. From that point onwards, health care needs will undergo qualitative changes.

Narrow specialists have a tendency to over-emphasise only what their area of interest demands. It is clear now that this approach can be self-defeating. In fact, putting undue emphasis on *health only*, and even providing very large funds for creating health infrastructure, may ultimately distort both the overall social development process and the health objective. The degree and the structure of unemployment and under-employment in India and other countries of South Asia lie at the base of the dualistic structures that militate against health care for the poor. We have to think of health planning somewhat differently from what is given to us conventionally.

Population explosion is becoming a serious threat and has a direct bearing on health, it can erode health programmes just as it swamps benefits of development. How does one really plan health for such countries? Ultimately, programmes for full employment would be the right answer to population threat This is not a radical suggestion. It is commonsense economics and need not be outside the framework of the preference systems of the political elite. For their own survival, they should aim at providing full employment to their people. Indeed, full employment can give them the most effective political leverage and massive legitimacy to remain in power

If the health programme of a country has to be linked with the employment programme, two steps will have to precede it. First, the existing inverted pyramid of the health services has to be turned upside down. It is this inverted pyramid which has created a situation of total programme fragmentation. We have more doctors than nurses, more nurses and doctors than the next category of paramedics and so on That is why the health services are, by and large, used most by upper classes, a situation which, in turn, gets reflected in the dualistic structure of society. The turning over of the inverted pyramid implies the creation of a broad base for the paramedics, a shift in emphasis from curative to preventive medicines, change in the medical education so as to create the kind of medical personnel who is really more attuned to the demands of the local community, etc This is one part of the re-structuring of the health system.

The second emnates directly from employment as the size and nature of the employment programme will determine the kind of health inputs. Employment programme is one programme which, according to Indian

experience, most urgently needs the right kind of health inputs When we talk about large scale employment in poor countries, we mean employment scattered all over the agriculture and small-scale industrial sector. In these sectors, the problem is not merely of open unemployment but of much larger under-employment, yielding a large figure of those who live below the poverty line. To create employment for them we need, in addition to work, social inputs in the form of health, education, skill, etc , so as to make them physically and mentally employable A full employment programme needs a special development strategy, economic structure, resource allocation, capital intensity, choice of techniques, etc. Policies for providing social service inputs have to follow aforementioned decisions logically. All the current strategies of development lack a built-in concept of social development In most developing countries there is no counterpart of the welfare state found in the developed countries In fact, attempts to copy their welfare state has ruined many a developing country. Without an appropriate overall strategy, the kind of which the Draft Sixth Plan evolved, no health programme has a chance of succeeding.

DECENTRALISED HEALTH CARE

There is an entirely different problem connected with the delivery of the social services For evolving an effective social services programme, particularly of health to be effective, a tremendous amount of decentralisation would be necessary Those who are taking over the responsibility of creating the employment potential, particularly in the rural areas, will have to take health care to places where the workers are seeking or are really going to be employed In many countries today, the unemployed or under-employed workers just cannot take up full scale physical work because they are malnourished and physically weak Therefore, such health care has to be taken to them where work exists Otherwise, they will be condemned to remain perpetually under-employed and poor. Employment and health programmes, along with other sub-sector programmes like water supply, nutrition, etc will create a tremendous and immediate impact on the whole psychology of the people about small family norms, about education, about their hygiene, about what and how to cook for nutrition In fact it is only at this point that the family planning programme can most effectively intervene But outside the employment framework, most programmes get lost or wasted and become doles Therefore, all social infrastructural programmes, including health, must be so decentralised as get tied to the employment objectives if they are to succeed in right measures By themselves alone, they are unlikely to succeed in right measures By themselves alone, they are unlikely to succeed and may distort the overall development strategy

Finally. decentralisation of the delivery system of programmes such as education, health, organisation of the poor, etc., would also necessitate a large

scale decentralisation of power to the local community itself which will be required to take up some of these programmes. Inputs may be available for economic development from other services or sectors but so far as social service structures are concerned, apart from the physical inputs, the human input has to come from the community itself. The first principle of a good health care system is that people become conscious and aware of their problems. For example, it is not difficult to provide drinking water to villages but by itself it does not create sanitation unless community consciousness about it is energised and that requires some definite degree of local initiative as well as programme decentralisation. Decentralisation of health programmes and functions and all that goes with it is absolutely necessary.

This is not as easy an exercise as it may appear. In structuring the programme through decentralisaton, we are bound to come up against very powerful socio-political barriers, mentioned earlier. For example, the rural power structure may not allow the rural community, particularly the rural poor part of it, to take up these programmes or organise themselves. But the experience is that this barrier is more the result of prejudices and authoritarian approaches of the central bureaucracy. This is the true barrier and has to be broken. But it cannot be broken by the government itself. People have to struggle for their rights through forming specific organisations.

There are two ways in which the rural poor can be organised. Either the organised parties should go and organise them in relation to their demands and problems. But in most developing countries, there are no democratic political parties of that kind. On the other hand, there are countries like ours in which there are far too many political parties. But, most of them are urban based and generally refuse to go to rural areas except during the elections Trade unions, cooperatives, voluntary organisations, etc., can also perform this function but they are either unwilling or not allowed to perform it

If political parties and other institutions are not performing this function, we must look for an alternative. My experience as a planner for a limited period was positive even if tentative. We can surely structure many programmes in a manner that these programmes get slowly debureaucratised and gradually handed over to the target group or to the community in the form of decentralised programmes. Of course, as mentioned earlier, this would require some kind of political decentralisation also. India's experience in community development and in similar other programmes of involving the community has been only a partial success because real and adequate political and financial powers were never given to the people Political barriers to the decentralisation of the economic power have to be removed. This will be one area of the struggle The other requires a lot of experience and imagination to get the programme communitised even when ultimately bureaucracy is responsible for running them. There are scores of examples of good bureaucrats, good voluntary agencies, good political leadership,

etc., who, when engaged in preparing people to get involved in these programmes often found to their surprise that the people got organised around those programmes.

Therefore, unless there is going to be a major political change in our country, the only other way is to create community organisations This is also the problem of other poor nations.

There is an international dimension of the problem because many of the programmes for rural areas are now funded heavily from international agencies. The various UN organisations, people in charge of health, education, etc , should sit together and work out strategies to decentralise programmes for health and other social services. Nobody is paying enough attention to this aspect. Perceptive people in the WHO or UNICEF should recognise the need for such a course of action. They might be doing something but the UN as a system is not concerned with helping to structure the programmes in a way in which the programmes are to be run by the people themselves This is a difficult task but it is also possible to accomplish it, given the imagination and commitment It is going to be a long term effort.

NATIONAL FOCUS FOR HEALTH PROGRAMMES

If this analysis has any merit, then we cannot afford to place excessive emphasis on the departmental or sub-sectoral approach. Educational administrators demand more for education, water supply engineers say water supply should be taken everywhere and so do the decision-makers about health In the end it amounts to asking for more money As a planner in charge of all social services, I had faced such kind of demands from different social services sectors. If one were to agree to their sectoral demands for increased percentages of the total plan allocation, the plan for social services would have surpassed the plan for direct investment The sectoral decision-makers generally do not possess a full comprehension of their demand to fix a definite but larger percentage of total expenditure for a specific programme.

Therefore we first must put the entire social services programmes into a national focus so as to give meaning to inter-sector allocations Relative priorities for different components of the social services sector can be determined afterwards Unlike the developed countries, most poor developing countries have not yet even seriously discussed, not to speak of having a theory, as to what does *social welfare* for a poor country mean. In developed countries welfare state came as a product of mature capitalism. In communist countries health care and other services are made part of the state system, they have a certain in-built social welfare concept as part of development strategy. In the developing countries, there is no well-defined concept of social welfare, nor its definite placement in the development strategy

Our people face double poverty, economic as well as social Besides, they

face not only absolute poverty, but also relative poverty. The whole poverty syndrome acts as a big constraint on even conceptualising a welfare state. The resource constraint suggests that we cannot take away too much of real resources from the production processes to put them into social services because if growth declines so will the allocations to social services, in the long run This does not imply denying the latter as investment, but there has to be a balanced relationship between material production and human investment. This balance has not been worked out. It is because of the absence of a well-defined concept of social welfare or its functional equivalent for a poor country that we tend to give an excessive emphasis on specific programmes in which we are interested. Everything is important But without a proper concept of social welfare, which has to be built into the entire concept of development, such statements become empty phrases.

INSIGNIFICANT GLOBAL COMMITMENTS

The UN agencies are doing a very useful work insofar as they highlight these problems WHO and UNICEF and other agencies make large efforts to make the people of poor countries conscious of the existence of health and similar other problems. But beyond that, the global commitment from the developed world is rather insignificant. There are two distortions in their approaches : First, the technical side of the problems over-rides every other side of it, with the result that the people in the poor countries get confused by the advice administered by the UN agencies Distortions occur because these technical experts are really influenced by the problems of the developed world by the very nature of their training. Therefore, the UN agencies have to be very careful in that the technical side of things does not become too complicated or remains unrelated to or divorced from what is required on the ground in the developing countries.

Secondly, there is mismatch between advice and resource input The UN system must ask itself as to what its input is in a particular programme before it launches a programme for more than one hundred poor nations. Frankly, we have reached a point where the UN system's physical input into a given programme is getting relatively smaller, largely because programmes have been proliferating, whereas corresponding resources have not been forthcoming in that order. Either we should accept that the purpose of the UN system is merely to make people conscious, provide technical advice, suggest planning structures, etc., or a new and larger commitment will be forthcoming The recipient countries have also to do their home work and not substitute external input for domestic effort

CONCLUSION

In conclusion, instead of improving, the health status of many poor

developing countries has deteriorated. This situation is largely the product, on the one hand, of poverty, income inequality and unemployment and, on the other, of the socio-economic barriers put up by the ruling elites of these countries who are the main beneficiaries of this iniquitous system. The more conscious and responsible ones are in search for a strategy which not merely combines the elite privileges with their responsibility to the nation, but which also benefits vast masses

This is a difficult task. The search for such a strategy has led to the simple but profound conclusion that the programmes of social services cannot really succeed without their being an integral part of a development strategy in which the highest priority is given to full employment Once that is accepted, what follows is an exercise for the conceptualisation of a social welfare function specifically designed for a developing economy. Without such a well-defined function, neither the place of the social services in the development strategies nor the relative priorities of the components within the social services structure can be determined. Programmes will get either over-stated or under-provided Besides, it has also been the experience of most developing countries that each programme of the social services sector can be optimised only when it is made part of an integrated programme in which the different components are linked. The most crucial factor is the creation of an effective delivery system, which at present happens to be the state or local bureaucracies. A good delivery system needs people's involvement and also requires a certain degree of decentralisation of political and financial powers

The Alma Ata Declaration has for the first time focussed upon the health status of the world It has also thrown a challenge to the leaders of nations to prepare new strategies and policies for health for all by the year 2000 In this global task, the UN agencies have been given a crucial role. Except for the UNICEF and WHO, which have limited funds, others have not even decided to take up this challenge. Without genuine international cooperation it may not be possible to achieve the given objective.

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Consumer Discovered ?

There is need to consider the consumer as the centre of all food plans, rather than the farmer or the processer All interactive policies should proceed from that standpoint ...

—*An Outlook for India's Future (2000 A.D)*
National Committee on Science & Technology, New Delhi, 1978

Institutional Credit for the Rural Poor

M. M. K. Wali

INSTITUTIONAL CREDIT, though a necessary input for resource building and higher production, is by itself not enough, unless it is backed by a closely aligned system of identification of the most needy among the target group and preparation of bankable and prudent projects of investment for them as lie within their capability of execution and management. Present arrangements in this behalf have been quite inadequate if not altogether lacking. Neither the cooperative banks nor the commercial banks have any sustained or systematic arrangements for giving this kind of assistance to the potential borrowers. Nor does the extension service, for whatever it is worth, undertake this task. Even the district industries centres, started with much hope, missed out on the element of extension, except in a few States. This has been a crucial gap. There have been other inadequacies also, not the least among which have been the orientation of the agricultural extension services towards more endowed farmers, weakness of the rural delivery systems in general, adverse marketing conditions, slow pace of land reforms, etc , all of which have jointly and severally tended to inhibit the already depressed motivation of the rural poor. While no scheme of rural credit can remain wholly insulated from these constraints, it is neither intended, nor feasible, to deal with them in the course of this paper. The object of this paper at this stage is to bring out the current situation in regard to the flow of credit to the rural poor, to highlight the gaps as they appear to be in the delivery system of credit and to suggest an approach for giving a more pointed direction to the credit delivery system. The rural poor which comprise the target group of this paper are the small farmers, marginal farmers, agricultural labourers, rural artisans and other non-agricultural rural workers.

PRESENT STATUS

Concern for the rural poor had begun to be felt more specifically since the 70s. A number of programmes were initiated, the more important among them being the programmes of SFDA, MFAL and IRD. In keeping with this concern, increasing the flow of institutional credit to these sections became one of the important instruments of state policy. Without going into details

of the specific measures taken in this behalf, which are quite well known, it will be pertinent to enumerate some of the important ones, as below :

1. Stipulation by the Reserve Bank (RBI) that at least a certain proportion of the total advances made by the central cooperative banks and land development banks be for small and marginal farmers, etc This was 20 per cent to begin with, but has now been refixed at higher levels in different districts ARDC has stipulated a minimum proportion of 50 per cent for the same purpose in respect of its IDA assisted programme (their definition, however, is not area based as is commonly understood in relation to these categories)
2. The commercial banks were required to make at least ½ per cent (later raised to 1 per cent of its total advances in a State to the weaker sections at a differential rate of interest of 4 per cent (DRI scheme). Lending to these sections at a somewhat lower rate of interest than the normal was also done by the cooperative banks.
3. Longer period of repayment
4. Lower margin requirement
5. Project-oriented instead of security-based loaning
6. Waiver of tangible security on loans of a certain amount
7. Relaxation in the eligibility of the central cooperative banks/primary land development banks to draw finances from higher level/institutions in case advances were to be made for small and marginal farmers

Let us now see as to what has been achieved over the period of time as a result of these efforts. The agencywise performance is examined below·

Cooperatives

The cooperatives have increased their credit flow both in terms of the absolute amount, as well as percentage share, to these categories of borrowers Table 1 gives the advances to small and marginal farmers, tenants, agricultural labourers, artisans, etc, since 1973-74

It will be seen that the short and medium term credit to weaker sections has grown at a compound annual rate of 24 per cent, while the growth of general cooperative credit during the corresponding period has been at the compound rate of 14 5 per cent per annum. The figures for long term credit (for small and marginal farmers only) also show a steady growth, though at a lower rate than in the case of short and medium term credit It may, however, be noted that the year to year figures for the long term cooperative credit are comparable mainly for proportions and not for absolute numbers, as the RBI's information is not complete for all the States and Union Territories (UTs) In fact, what is of importance to our purpose is that the share of weaker sections, mainly small and marginal farmers, in cooperative

TABLE 1 COOPERATIVE CREDIT TO SMALL AND MARGINAL FARMERS AND OTHER WEAKER SECTIONS

Year	Short and medium term credit: Rs. in crores	Short and medium term credit: Percentage to the total credit	Long term credit to small and marginal farmers only (Rs. in crores)	Percentage to the total credit
1973-74	215	29	62	34
1974-75	285	32	62	32
1975-76	344	38	78	36
1976-77	458	38	94	37
1977-78	503	40	67*	37

*The data is incomplete as it relates to only 13 States and one Union Territory (UT).

credit is about 40 per cent while their share in the agricultural land is only 21 per cent (though in the total holdings it is about 70 per cent).

Commercial Banks

The role of commercial banks in rural credit has steadily expanded after nationalisation in 1969 The scheduled commercial banks advanced Rs. 569 crores in 1977-78 and an estimated Rs. 670 crores in 1978-79. Table 2 shows the share of small and marginal farmers in the total outstandings:

TABLE 2 RURAL CREDIT TO SMALL AND MARGINAL FARMERS
(Percentage of the total number of accounts and percentage of total outstandings)

	Marginal farmers		Small farmers		Total	
	Accounts	Amount	Accounts	Amount	Accounts	Amount
Sept 1974	36	13	24	15	60	28
Sept. 1978	42	20	25	17	67	37
March 1979	42	20	25	18	67	38

The above figures are outstandings inclusive of accumulated past debts, unrecovered overdues and current advances Since the recoveries of commercial banks constitute roughly half of the amount due, the picture presented above does not reveal the share of small and margianal farmers in fresh advances of the scheduled commercial banks. It, however, bears mention that while the share of these categories in the scheduled commercial banks' (SCB) outstanding credit to agriculture is quite good in short term credit, in the term loans their share is low, being only 24 7 per cent in September, 1977 In the then private sector banks, this share was still lower at 12 7 per cent. Another fact that has to be kept in mind in respect of SCB credit is that quite a substantial quantity of credit is believed to have been given by them as so-called gold loans (against jewellery). These loans are not shown separately and are

lumped together with direct agricultural advances. Such loans cannot really be treated as the ones qualifying for our purpose. It may also be mentioned that the overall credit-deposit ratio for rural branches of SCBs' stood at 52.5 per cent in December 1978. This was not a particularly satisfying position.

The Regional Rural Banks

RRBs' advances are expected to have moved up from Rs 44 crores in 1977-78 to Rs. 101 crores in 1978-79. These institutions were set up to meet the credit needs of the rural poor and hence cater only to those categories. The share of small and marginal farmers and agricultural labourers in the total loans advanced by the RRBs' was 58 per cent on December 31, 1976 and 62 per cent in June ending 1978 Some of the RRBs have done quite well, but overall the average advances outstanding per branch were only Rs. 6.9 lakhs in June 1979 Their impact, therefore, has been at best marginal so far.

DRI Scheme

The DRI scheme (4 per cent rate of interest), operative since 1972, is intended for the benefit of the weaker sections of the community Outstanding advances under the scheme rose from Rs. 90 crores covering 1.62 million accounts at the end of December 1978 to Rs. 103 crores covering 1 76 million accounts by end-March 1979. The operating banks are required to route not less than two-thirds of their advances under the DRI through their rural and semi-urban branches Of the total advances as at the end of December 1978, Rs 37 crores or 40.9 per cent went to members of scheduled castes and scheduled tribes The DRI scheme is being operated by commercial banks only At the end of 1978 they had been able to reach a percentage of 0 71 under DRI credit as against 1 per cent (of the total credit given) which is now the target The RRBs, however, which are also the creatures of commercial banks and lend wholly to the weaker sections, are not covered under the DRI scheme In the cooperatives, the lending rate to small and marginal farmers is 1 to 2 per cent less than the normal rate. The DRI scheme is not applicable to cooperatives, because they do not have the portfolio diversity to manage the DRI from within their own resources

Overall Position

Looked at from the macro angle, the picture appears to be one of steady pregress In the cooperative sector, the percentage of credit to small and marginal farmers, etc , has moved up from 29 per cent of the total in 1973-74 to about 40 per cent in 1977-78 for short and medium term credit, and to about 38 per cent in long term credit. This percentage compares favourably with the percentage of the area they hold if not with their population Their share in the commercial banks credit has also steadily increased The sectoral

deployment of commercial banks credit still, of course, continues to reflect heavy concentration on non-agricultural sectors. Agriculture accounted for 11 per cent of the total commercial banks credit. Of this, the share of small and marginal farmers, etc , is only about 38 per cent in short term credit. Of the total commercial banks credit, therefore, the share of weaker sections works out to about 3 to 4 per cent The credit intensity per unit of cultivated area is now more for the small and marginal farmers than the bigger farmers though, undoubtedly, in absolute terms, it is quite low with reference to the investment needed to raise the productivity of these farmers to the levels of potential Here the problem has been of the 'cake' itself being made bigger. The overall growth of credit to the rural poor thus presents an apparently heartening picture. Heartening indeed it would be if it were not to hide within itself a tale of serious imbalance and inequality as among the various poverty groups. Between the small and the marginal farmer, it is the small farmer who has managed to get more benefits and as between the two combined on one side, and agricultural labourers and rural artisans on the other, it is the former who have been the recipients of most of the credit support It will be pertinent to examine the situation categorywise.

CREDIT POSITION VIS-A-VIS DIFFERENT POVERTY GROUPS

Dividing the rural poor into two distinct categories, *viz.*, land owning (small and marginal farmers) and no-land classes (agricultural labourers, artisans, etc), the share of the two in the total cooperative credit is shown in Table 3.

TABLE 3 SHORT AND MEDIUM TERM CREDIT (COOPERATIVE) TO SMALL AND MARGINAL FARMERS AND TENANTS, SHARE CROPPERS, AGRICULTURAL LABOURERS AND RURAL ARTISANS

Year	*Small and marginal farmers*		*Tenants, share croppers, agricultural labourers, and rural artisans*	
	Amount (Rs crores)	*Share in the total (per cent)*	*Amount (Rs crores)*	*Share in the total (per cent)*
(1)	(2)	(3)	(4)	(5)
1974-75	255	28	30	4
1975-76	304	30	40	4
1976-77	421	35	37	3
1977-78	444	35	59	5

It will be seen that while the share of small and marginal farmers in short and medium term cooperative credit has gone up over the years, the share

of tenant cultivators, village artisans and agricultural labourers has remained frozen between 3 to 5 per cent only. The membership pattern of village cooperatives also reveals a similar trend. There were in all 116 thousand primary agricultural credit societies (PAC) in 1977-78. Their total membership stood at about 48 million. Of these, 12 million, *i e*, 25 per cent were marginal farmers, *i.e*, with land holdings upto 1 hectare (unirrigated) and 9 million were small farmers holding upto 2 hectares (un-irrigated) Taking the two together, the small and marginal farmers constituted 44 per cent of the total membership of the cooperatives. Now, the number of agricultural labourers and rural artisans, who were members of the primary agricultural cooperatives, was only 4.3 million and 0.8 million respectively. During 1977-78, 3 58 million marginal farmers and 4 million small farmers, *i e.,* 30 per cent and 45 per cent respectively of total membership were borrowing members This proportion was only 7 per cent in case of agricultural labourers. The scheduled castes formed 13 7 per cent and scheduled tribes 7 6 per cent of the total membership of the PACs. The borrowing membership during the year constituted 34 per cent in case of scheduled castes and 25 per cent in case of scheduled tribes

Such categorywise data in respect of commercial banks credit is not available.

FUTURE LINE OF ACTION—SOME SUGGESTIONS

The picture as brought out above, while indicating increasing concern for larger availability of production credit to the rural poor, also points to the unevenness in the flow of credit to the various poverty groups within them Even among them we find again the same phenomenon that (just as between the larger and the smaller farmers) it is the larger farmer who has cornered a major part of the credit among the various poverty groups. Also it is the poorest, *viz.,* the agricultural labourer and the rural artisan (and to some extent the marginal farmer), who have been given the short shrift In the light of this analysis, it is quite clear that the present policy of merely increasing the flow of credit to the rural poor as a total group will only partially meet the needs of the situation While the pressure on the financial institutions to augment credit flows to these categories of the rural population must and will continue unabated, the mechanics thereof must be spelt out clearly. In this context, the following approach, representing a kind of panch shila, is suggested for consideration :

1 *Separate reservation of credit for different poverty groups.*
2. *Provision of a separate line of credit for non-agriculture-based activities*
3 *Toning up of credit delivery systems*
4. *Adoption of a micro instead of macro-approach by the bankers in credit planning and management*
5 *Adequate extension support.*

Separate Reservation of Credit for Different Poverty Groups

There is need for a clear shift away from the present policy of aggregating all poverty groups into one target group. Otherwise the weakest among them like agricultural labourers and rural artisans, who constitute, in terms of numbers, almost as large as one-third of the total rural population, will continue to remain deprived in competition with those in the upper bracket of the poverty group. For practical convenience, the disaggregation of the poverty groups may be done in three categories, namely, (*i*) land resource based, *i.e.*, small and marginal farmers, (*ii*) wage workers, *i.e.*, agricultural and other workers, and (*iii*) rural artisans.

Having categorised the poor into these three separate dispensation of credit for each group should be ensured. The following scales are suggested in this behalf:

(*i*) At least one-third of the total credit disbursed by primary agricultural cooperatives as well as commercial banks (in the case of commercial banks, reference point will be the total non-plantation direct agricultural credit given), must flow to small and marginal farmers. The minimum credit reservation for them has to be at a level considerably higher than the percentage of area they hold. The total credit availability at present for all classes of farmers is far less than what is needed for improved agriculture. The bigger farmer, however, has his own surplus, as well as friends and relatives who can lend to him. The poorer farmer has no such recourse. In the circumstances, it is necessary that in any regime of rationing of credit it is the poorer farmer who must be ensured his production credit to the fullest extent possible. A reservation of at least one-third of the total credit in favour of the small and marginal farmers is, therefore, desirable.

(*ii*) Agricultural labourers and other rural workers constitute a sizable proportion of population, which may be as large as 25 per cent of the total rural work force. They have no capital assets, unlike the small and marginal farmers, who at least have some land resource. The main task, in their context, is to enable them to build up production assets, backed where necessary by appropriate skill formation, which will supplement their earnings from wage work and bring them to a viable standard of living. It is suggested that at least 15 per cent of the total credit given by primary agricultural cooperatives and commercial banks (priority sector lending) should be earmarked for them. Theoretically one can think of even a higher percentage of reservation for them in view of their size and present poverty levels, yet considering the overall needs of development of the rural economy as well as the practical difficulties in initiating assets forming programmes for them, the reservation of 15 per cent is considered reasonable to begin with

(iii) No specific reservation is proposed for rural artisans. The suggestions in regard to financing them are in the following paragraphs.

Provision of a Separate Line of Credit for Non-agriculture-based Vocations

Traditional rural artisans constitute one of the poorest sections of the rural community. Even with their present level of traditional technology they are unable to produce to their full capacity. Their main constraint is the shortage of working capital with the help of which they could buy their raw material requirements and secure a reasonable level of turn over. Marketing of their products, at least within their present capacity levels, is no problem. Their products have a ready local market Their working capital needs are small. In fact it has been seen in many cases, as in the *antyodaya* programme in Rajasthan, that with as little assistance as a loan of Rs 500 for working capital purposes, the production level of most of these artisans could be raised to enable them to triple or quadruple their daily income If a person earning only Rs. 3 or Rs 4 a day can be made to earn even Rs 10 a day it is a substantial gain as a first step. The next step would be to improve his tools and technology but that should come after he has developed increased motivation, as he inevitably will if his income levels increase and he is able to see for himself the potential for growth Likewise, there is considerable scope for new small enterprises of a service and commercial nature like carpentry, tailoring, pottery, masonry, tea shops, vegetable shops, pan shops, bicycle repair and hire, transportation services (bullock or camel cart, tonga or rickshaw) and various tiny industries. The capital needs of such enterprises are small If this could be met, it will provide gainful employment to a fairly large number from amongst this category. However, presently, the only source of credit to these persons is the commercial banks but the coverage of commercial banks is quite meagre in the rural areas and, secondly, what has been done so far by them under the DRI scheme is infinitesimal compared to the size of the problem in hand Even with a massive branch expansion programme the coverage will continue to be thin Cooperatives are the main institutional agency for providing credit in the rural areas Their coverage extends to almost all villages in the country. They, therefore, represent a ready system which could be put on to this task However, cooperatives, under the present dispensation, cannot finance individual artisans or entrepreneurs for their production credit requirements This prevents a large number of persons in the rural areas from taking recourse to village cooperatives for their credit needs It appears, therefore, necessary that a line of credit should be established by the RBI through short/medium term cooperative credit structure in order to meet their needs Presently the line of credit given by the RBI is in regard to cooperatives of artisans or industrial workers, *e.g* , handloom cooperatives What is proposed is that in addition a line of credit should be established through the primary village cooperatives for the financing of individual artisans and small entrepreneurs.

Suitable guidelines could be laid down to provide for suitable norms and procedures of loaning. The need for providing such a line of credit is vital if a dent is to be made on the problem of these poorest of the poor sections of the rural community. Theoretically, a line of credit is available from the RBI for financing individual artisans (for working capital only) under a circular issued by them thirteen years ago. But this circular is a dead letter, little known and never followed up. It may also be mentioned that very recently (June 1980), the RBI has issued instructions permitting the cooperative banks to finance individual artisans or cottage units against the refinance facilities which IDBI has now in principle agreed to provide to some of these (selected) banks. While all new openings towards financing these sections must be welcomed, it is felt that this in practical effect may not lead too much. First, it will take time for the cooperative banks, and *vice versa*, to attune themselves to the requirements and procedures of a new organisation; and secondly, what is needed is the availability for a credit source nearer at hand, *i.e.*, the village cooperative, rather than the district level cooperative bank. Considering all practical implications, therefore, it is desirable that production as well as investment credit for artisans and small entrepreneurs should flow along traditional cooperative channels right up to the village level from the RBI on an assured basis under a line of credit distinct from agricultural credit. It will serve the desired end if credit upto a limit of Rs. 5000 is permitted through the village cooperative under the RBI line, and above that by the cooperative banks under the refinance facilities agreed to be provided now by the IDBI.

Toning up of Credit Delivery Systems

It would be outside the scope of this paper to go into the various structural, organisational and operational shortcomings of the cooperatives or commercial banks. Removal of these shortcomings is, of course, vital. Here, only those aspects have been touched upon which are of direct relevance to the financing of weaker sections. These have been dealt with separately for commercial banks and cooperatives as they represent two distinct delivery systems.

Cooperatives

A few important areas of concern are mentioned below :

Overdues—High overdues have been one of the abiding problems of the cooperatives Some of the States which were in the vanguard of cooperative development are now among the States worst afflicted by overdues. Recoveries are a function of several variables, some internal and some beyond their control. Fall in prices, glut in the market, natural calamities, power and diesal shortage, etc , affect productivity and resultantly the repaying capacity of the borrowers. Nevertheless, it has been observed on a statistically significant scale that a large part of the overdues is attributable to wilful default.

Wilful defaulters are quite often the upper class of farmers. They are also the larger borrowers in quantitative terms Therefore, default on their part, for whatever reason, chokes the credit line, constricting or denying further flow of credit to all members, though all may not be defaulters This starts a chain reaction and even those who have the capacity and will to pay desist from making repayment because they know that they will not get a fresh loan. It is, therefore, necessary that the small and marginal farmers, agricultural labourers, etc , who are. (*a*) non-defaulters, and (*b*) new members, should be treated differently and their credit requirements met in full even if the concerned cooperative is otherwise ineligible to advance money because of its high overdues position.

Expanded Membership Coverage—In spite of the principle of universalisation of membership having been accepted and legislatively facilitated, the membership of the weaker sections still continues to be inadequate One reason is the sense of diffidence on the part of the weaker sections that they will get little benefit (hence why become members?) Even in the SFDA projects, with their particular focus on the weaker sections, the membership position continues to be unsatisfactory. Of the 16 5 million persons identified for assistance under the SFDA programme up to January 1980, 7 1 million have become members of the cooperatives, *i e.*, a little over 40 per cent. This is the overall position Separate membership figures for marginal farmers and agricultural labourers, etc , are not available. However, in respect of scheduled castes and scheduled tribes, for whom figures are maintained, out of a total of 5 9 million identified only 900 thousand have been enrolled as members of cooperatives It is, therefore, quite clear that families in the lowest poverty brackets have by and far remained outside the fold This is a serious enough distortion to be taken note of. It is necessary that for any programme of assured credit through cooperatives to become effective, it must be enjoined on the cooperatives, the extension organisations and the project authorities to undertake a systematic programme of enrolling them as members It must be done on a clearly laid down phased targeted basis

Accountability of the cooperatives to assist these sections—The cooperatives are often criticised for being dominated by vested interests. While to a large extent this is true, the situation is in fact no different from any other social, economic or political set-up in rural areas Like other institutions, cooperatives also reflect the same power structure. The solutions sought so far have been in the nature of reservation of seats on the managing committees, limiting the number of terms of office, etc While lauding the spirit behind these measures, they have, in fact, been rendered into ineffectual frills Better results will accrue if a distinct measure of accountability is enjoined on the cooperatives, on pain of suitable action against their managements. The massive assistance given by the government to cooperatives is for subserving the national purpose of helping the weak and the under-privileged They could, therefore, be made to conform to the priorities indicated by the government.

It should be made obligatory on the PACs to work out a programme of economic improvement of each member-family from the target group and then provide assistance in accordance with such programme. The aim should be to cover all these families in a period of three years. No doubt this would call for improving/strengthening their management to be able to effectively handle this task. But this is the inevitable corollary and has to be done.

Commercial Banks

The multi-agency approach which brought the commercial banks into financing agriculture and other rural development activities was motivated by the fact that where there were credit gaps beyond the present capacity of the cooperatives to fill, the commercial banks will be able to step in. However, over the years, though the involvement of commercial banks in rural financing has considerably increased in quantitative terms, the object of meeting this gap, either in terms of under-developed areas or under-privileged sections of the population, has not been achieved. Operationally, the commercial banks have a number of problems. Their rural coverage still continue to be small. The rural branches are under-manned. A one or two-man branch tied for most part to its normal banking business, can hardly do much promotional work in its dispersed hinterland. They have been bedevilled by the problem of mounting overdues also. If they have to play their part more effectively in the field of rural credit, it appears necessary that: (*a*) they must further simplify their procedures, become more sympathetic to rural borrowers, and genuinely give up their 'security' approach (which though accepted in principle is still very much in practice at the branch level), and (*b*) some arrangements must be made by the State Governments to more effectively assist them in the recovery of their dues. This is not to absolve them of their own primary responsibility, but it will be in the interest of the State Government to see that assistance is provided to them in cases where default has persisted. Otherwise, it will inhibit the banks to accelerate their rural credit operations. Undoubtedly most State Governments have made provisions in their laws to give such assistance to the commercial banks. However, there is a great deal of looseness in these provisions, besides general disinclination of the local authorities to deal with these cases. It is necessary that these provisions are examined in detail in a pragmatic way and steps taken which give effective assistance to the commercial banks in their recovery processes. Even special revenue courts can be considered to deal with such cases. The banks could reimburse to the State Government the cost of these courts, either directly or indirectly.

Both the cooperatives and commercial banks are government sponsored institutions. It is, therefore, desirable that their operations are so meshed as to ensure optimum impact of the combined resources of the two. Presently they are competing with each other than supplementing each other. It needs to be reviewed in detail as to how the operation of the two could be best

coordinated. The possibility of commercial banks desisting from direct loaning in certain areas, where cooperatives have acquired a reasonable level of strength and lending to (through) the central cooperative banks instead, also needs to be examined The suggestion here is not the same as adoption of societies— which has been tried without much success. In adoption of societies, the tendency of the commercial banks is to choose the best societies, which naturally is resisted by the central cooperative banks, nor does it serve the purpose of meeting the credit gap

Adoption of Micro Approach

While at the Central and State levels a macro approach for planning of credit to weaker sections, *i e*, in terms of the total quantum of credit and the numbers to be covered, has validity, at the operational level, planning and management of credit has necessarily to be done in micro terms. What actually has, however, been happening is that even at the operational level there has been far too much of a pre-occupation with mere numbers. Whether credit goes to the more disadvantaged has not been a matter of serious consideration The result has been, as we have seen, that a very large segment of the rural poor who are at the lowest poverty levels have derived little benefit from the expanded programmes of credit over the years Consistent with the principle of universalisation of membership and reservation of credit for the weaker sections, it becomes obligatory that the system of reservation should be closely aligned with a system of proper identification of the intended beneficiaries The purpose of the banking institutions, both cooperative and commercial, in the present day developmental context is not that they should act as mere retailers of credit to those who contend for it but to act as instruments of fostering development among those who on their own are diffident or incapable of conceiving suitable investment possibilities.

Cooperatives

For the cooperatives, the role should be clearly defined in the following terms and their performance judged strictly by the manner they perform in that direction .

Each PAC must systematically identify its members who are below the poverty line

A specific credit plan should then be prepared for each of these members in the light of the possibilities of development for each one of them. (Projects or programmes for this category of persons being of a limited range and rather simple in concept it should be quite possible for the PAC to do it, with support taken from the extension agencies wherever needed).

Credit should then be made available in the light of these requirements.

All members of this target group should be covered within a span of three years.

Commercial Banks

In the case of commercial banks also, a similar approach needs to be followed They should identify specific individuals belonging to different poverty groups within the area of operation of each branch, and then provide finance to them in accordance with individual credit plans drawn up for them. The same will apply to the regional rural banks. Their financing is no doubt directed to weaker sections. They have, however, exercised little discrimination in financing, relative to the poverty levels in these sections.

Extension Support

Credit is only one of the many inputs of development. In fact, the need for credit is itself the consequence of the awareness of the need for various inputs of production and developmental investment. While the credit agencies can identify the potential borrowers and also help them develop viable schemes of investment, it is difficult with their present physical resources for them to undertake any sustained motivational and guidance programme. This is the function of the extension staff available at the block level. The activities of the credit agencies have, therefore, to be closely tied up with those of the extension agencies. However, instead of the extension agency being strengthened, it has suffered considerable erosion over the years. Even the village level worker who has been the key extension functionary and the only development agent at the village level has now gone out of the block extension team in those States where the new agricultural extension scheme (popularly known as the T & V scheme) has been introduced. This has created a serious vacuum and would adversely affect the various rural development programmes which are being envisaged for the benefit of the rural poor. This paper is not the suitable occasion to go into the modalities of the extension organisation. Suffice it to say that it is of the utmost importance that the extension organisation be suitably strengthened so as to be able to substantially share the developmental effort with the credit as well as other agencies operating in the field of rural development Planning for economic development of the rural poor has to be an integrated effort and not merely a complex of different compartmentalised efforts.

SUMMING UP

For credit to be able to play a definitive role as a tool in the eradication of rural poverty it is important first of all to clearly recognise the nature of the poverty situation; only then can the strategy of credit be specifically tailored to that situation. Of the main categories of the rural poor, *viz*, (*a*) small and marginal farmers, (*b*) agricultural labourers and non-agricultural wage workers, and (*c*) rural artisans, the first category have some productive assets, however small, in the shape of land; the second have almost no assets at all; and the third have assets in the form of skills but attuned

to a low level technology. All the three categories are at different poverty levels, with the second category, *viz.*, landless labourers, being at the lowest, closely followed by the artisans. The disparate nature of their assets has a distinct causal relationship with their poverty status In the circumstances, if all poverty groups are clubbed together into one large target group and planning strategy oriented accordingly, it is more likely to miss the hard core of the poverty group Bracketing those who have some resource with those who have none always tends to operate to the disadvantage of the latter. This has been the experience of antipoverty programmes like SFDA, that those who are the poorest (landless labourers, artisans, etc) have gained the least Statistical estimates indicate that the number of agricultural labourers had, in fact, increased over the years both in absolute and percentage terms, rising from 17 7 per cent of the total rural work force in 1964-65 to 22 5 per cent in 1974-75 Their percentage in total rural population is estimated to have risen from 17 5 per cent in 1964-65 to 20.9 per cent in 1974-75. A dent on total rural poverty cannot be made unless each one of these categories rises above the poverty line The strategy of development has, therefore, to be so re-oriented as to serve the ends of each category. The first category calls for development of their land resource and diversification of their agricultural economy The second will require that they be endowed with new productive resources, so as to secure means to supplement their wage income or in some cases become wholly independent of it. The third category's problem is as to how they could produce more within their existing capacity of tools and skills and then as a second step to upgrade their tools, skills and technology Credit by itself is not enough, but to the extent it is relevant, and as an integral part of the total strategy of development, it must be directed to these categories not *en masse* but distinctively to each in the light of their particular characteristics It may, however, be noted that the sharply defined categorisation made above is essentially for practical planning purposes In field conditions there will always be some overlap in these categories, *e g* , a marginal farmer or an artisan also working as an agricultural labourer

In the context of the above analysis, the paper outlines a five point approach on the strategy of credit First, there must be a reservation of credit, both cooperative and commercial banks, separately for small/marginal farmers and agricultural labourers/other wage workers. The scales for them have been suggested in the paper Till the 'cake' itself becomes big enough to fully meet the requirement of all, a regime of credit rationing will need to be imposed to ensure the credit needs of different poverty groups on a priority basis. Secondly, a line of credit, distinct from the one for agriculture, should be made available by the RBI right upto the primary village cooperatives for financing rural artisans and other cottage units and small service enterprises Cooperatives have a network reaching out to almost all villages and, therefore, most suitable for the purpose It is of the utmost importance that the source of credit for this kind of clientele has to be close at hand. Most

of them hesitate to approach distant and unfamiliar sources. Thirdly, the credit delivery systems of both cooperatives and commercial banks (including regional rural banks), will need to be toned up and strengthened wherever necessary. In the main, it will require improved recovery performance to facilitate larger credit flow, disaggregation of the borrowers of the target group from the overall revovery position of a cooperative and assured flow of credit to them if they themselves are not defaulters, a systematic drive for enrolment of the rural poor as members of cooperatives, specific identification by cooperatives and commercial banks of members from different poverty groups in their areas of operation and their phased coverage in a reasonable period of time, and full coordination among the credit agencies in their operations to secure optimal impact of their combined resources, unlike the present competitive situation between them Fourthly, at the operational level, credit planning must be done in terms of individual beneficiaries. Mere presence of a banker somewhere around is not enough. Centuries of poverty have left the poor with little initiative and less aspiration. The essence of a development banker is that he goes out to the potential client, works out a viable project for him and finances him. The range of projects at their present level of development, and the scale of finance needed, is limited in most cases, and it would be quite possible for the local cooperative/branch to be able to do this. Fifthly, adequate support must be provided by the extension agency to the cooperatives and commercial banks in building up the awareness and motivation of the rural poor in respect of their production and investment needs In this context, note needs to be taken of the current trend towards compartmentalisation of the block extension service in some States (under the T & V system) The vacuum thus created will have serious consequences for all programmes of rural development. The answer lies in strengthening it and providing adequate technical back-up to it in desired fields rather than disbanding its integral character.

Finally, it needs to be said that this paper brings out only the main directions in which strategy of credit needs to be directed Operational details will need to be worked out for different States/districts in the light of the varying conditions prevailing. Different scales of reservation of credit for various poverty groups could even be fixed for different States/districts in the light of the population variations of these groups. The paper also recognises that merely giving an approach to development is not enough. Results will depend equally on the capability and sense of purpose of the instruments of implementation Cooperatives and commercial banks have both their weaknesses and problems But then, if the object of effectively tackling poverty has to be achieved, action has to be taken with an equally firm resolve to tone up these instruments and to make them accountable for results

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Promise and Prospect of Local Level Planning in India

Kuldeep Mathur

THE NEED to decentralise planning and strengthen organisational capabilities at the local level to formulate and implement plans for development has been experessed in various ways in India The five year plans have pointed to the need for local level planning but have not been uniform in developing its meaning in concrete terms Both the contents of local level planning and its scope have assumed different meanings in different government documents and statements. Partly as a consequence few effective steps have been taken to make it an integral part of the planning process in India The purpose of this paper is to briefly review the emphasis given to local level planning in the planning process in the country and to assess the attempts made to create or strengthen institutional capability for the purpose

THE PROMISE

The First Five Year Plan itself set the ball rolling by proposing that village production councils should be set up "to provide an effective base for the entire structure of agricultural planning It will be through this machinery that targets of production will be proposed by the people in the villages and their implementation ensured "[1] Specific tasks were envisaged by the planners for these councils and it was hoped that they would virtually become village level planning bodies

The Second Plan while continuing to emphasise that "vigorous local planning is essential if the aims of local planning along democratic lines are to be realized",[2] showed its preference for the district as the pivot of the structure of democratic planning. It argued that "district planning represents an area of common action significant for the welfare of mass of people in which differences in views and affiliation are of relatively small consequence "[3] The aim of district planning would be "to make these plans a means for solving

[1]Government of India, *First Five Year Plan*, New Delhi, p 89.
[2]Government of India, *Second Five Year Plan*, New Delhi, p 58.
[3]*Ibid*

the pressing practical problems of each local area and through local community participation and cooperative self-help, to augment the total effort and provide greater scope for local initiative and leadership,"[4] Significantly, the Second Plan shifted the attention to the district away from the village as envisaged in the First Plan. This shift was significant in another sense too. District provided much better technological and bureaucratic infrastructural support with clear links with the Centre. It would be easier at this level to translate Central policies into action and thus this proposition appeared to be a preparation for the strategy to be adopted later, wherein the role of public participation received relatively less emphasis.

By the time the Third Plan (1961-66) was finalised the scheme of democratic decentralisation or panchayati raj had been accepted and was being implemented with vigour by various States. The Third Plan recognised the importance of this scheme for institutionalising decentralised planning and declared that "responsibility and initiative in the development of rural areas will rest increasingly with village panchayats, panchayat samitis and zilla parishads."[5]

The Fourth Plan took shape in an environment of shortages and scarcities. The country was going through a period of drought and the Indo-Pak war had added to the balance of payments difficulties. For the planners and policy makers, increased agricultural production appeared as the primary objective of the entire planning process. The intensive agriculture district programme (IADP) had been initiated in areas which provided the maximum potential for agricultural growth. National targets for use of high yielding varieties of seeds, chemical fertilisers, etc., were being established and the technical machinery at the local level was translating them into local targets by helping cultivators prepare farm production plans. Thus, local level plans were sought to be seen as instruments of achievement of national level plans.

The emergence of the instrumental view of local level planning supported by the focus on the district as a unit of local planning marked the major shift in conceptualisations regarding the relationships between local and national level planning process and the objectives of decentralised policy making. Stress on participatory mechanisms receded and it became increasingly important to improve the efficiency of the local planning processes and implementation. The lessening of the importance of the role of the people's participation in local planning was logically derived from the increasing technological bias in the intensive agricultural strategy which relied on the bureaucracy and the prevalent administrative system to fulfil the developmental goals.

In view of increasing disparities arising from intensive agricultural strategy

[4]*Second Five Year Plan, op. cit.*

[5]Government of India, *Third Five Year Plan, Summary*, 1962, p. 18.

and the inability of the existing district set-up to tackle this problem and to perform many other tasks of local development, the Fourth Plan sought to establish separate agencies at the local level to cater to the needs of specific areas and specific groups of people. Specialised agencies serving the needs of small and marginal farmers, of command areas of irrigation projects or of drought prone areas were set up It was envisioned that these agencies would develop coordinated plans of local development and help fulfil the aims of national development

The Fifth Plan took the above emphasis further and noted that "a serious defect in the Fourth Plan was that many schemes remained as paper proposals for a long time and the process of working out detailed contents of a programme was sometimes not tackled. All this emphasises the need for detailed formulation of projects and programmes".[6] It chose to emphasise the role and relevance of administrative hierarchy in formulating and implementing area development programmes.

In addition, the Fifth Plan laid great emphasis on the concept of a project and its efficient execution This was partly a consequence of increase in external aid coming in for rural development programmes during this time. The World Bank and other aid agencies preferred to give project linked credit which could show directly visible results and also could be monitored better. The Plan emphasis due to such reasons also led to what came to be known as 'project based approach to development'. It proposed that in area development schemes an area development authority with suitable administrative and financial powers should be established to implement programmes at the local levels Because such an authority was not to be part of the existing administrative machinery, it was hoped that the task of project formulation and implementation would be facilitated Most Centrally sponsored area and target group oriented schemes are being implemented within this suggested organisational structure The responsibility for preparing projects and implementing them has been given to these agencies and the effort to strengthen their capability for this purpose has received greater attention of the government in recent times

The Plan 1978-83 sought to strengthen the organisational working of these agencies and proposed that "(the plan) will require creation of a full time professional planning machinery at the block and district level and will call for a great deal more of public participation "[7] Having said this, the Plan enunciated that "the bulk of investment on agriculture, minor irrigation, animal husbandry, fishing, forestry, marketing or processing cottage and small scale industries and local infrastructure and social services including water supply, housing, health, education, sanitation, local transport, etc , are clearly amenable to planning at local level."[8]

[6]Government of India, *Draft Fifth Five Year Plan,* New Delhi, 1974, p. 102
[7]Government of India, *Five Year Plan 1978-83,* New Delhi, p. 184
[8]*Ibid*, p. 188

There is no doubt, therefore, that the successive plans have emphasised the role of local level planning in the entire planning process. Both professional expertise as well as popular participation have figured in their visions but little operational requirements in terms of institutions or linkages have been spelt out. All too often expressions of the need of decentralised planning have not had much practical significance. In fact, it has been argued that "there is no conceptual advancement since 1951 .. Certain inferences are implicit in the First Plan arguments. Subsequent plans make them explicit, shift emphasis, rarely elaborate concepts, but do not in any substantial way refine either the methodology or the inherent logic."[9]

However, an attempt to refine methodology and operationalise institutional strategy was made through the guidelines for district planning issued by the Planning Commission in 1969. But the guidelines did not succeed adequately in either delineating the procedures or institutions needed for planning at that level[10] The guidelines also offered few suggestions regarding the development of professional expertise needed to perform planning functions.

In 1977 the Planning Commission appointed a working group to prepare guidelines to initiate block level planning in the country. At the outset itself, the working group emphasised that "the issue whether a district or block is more appropriate for the purpose of planning need not be viewed with rigidity."[11] It is not an 'either'-'or' choice and the group viewed block level planning as a link in the multi-level planning process. In terms of availability of expertise the group accepted that "no serious attempt to induct technical skills in planning" has yet been made. Identifying such inadequacies, the group recommended the inclusion of a minimum group of professionals in the proposed district planning cells with well defined functions.[12]

The working group tended to symbolise the emergence of a consensus on the critical importance of decentralised planning It attempted to shift the focus away from the districts to lower units of administration and emphasised the need to look at planning at the block level as a link in 'a hierarchy of levels'. In addition, it was the working group that made the clear recommendation regarding the need of professional expertise at the district level and block level to perform the planning functions.

Despite all emphasis laid in the plans and preparation of guidelines for planning for district as well as block levels, planning at the local level has not taken roots. There appear to be several factors responsible for this state of affairs.

[9]S. Sambrani, "Mythology of Area Planning", *Economic and Political Weekly*, XII, 51-52, p. A 138.

[10]Sudipto Mundle, *District Planning in India*, IIPA, New Delhi, 1977, pp. 24-38.

[11]*Report of the Working Group on Block Level Planning*, Planning Commission, New Delhi, 1978, p. 2.

[12]*Ibid.*, p. 12.

CENTRALISING FEATURES OF THE CONSTITUTIONAL FRAME

One of the striking features of the Indian federal system is that it has a bias towards centralisation. The Central Government enjoys wide powers for formulating policies both in the general area of economic and social planning and in the individual sectors of the economy. Even where matters are squarely under the jurisdiction of the States, the Centre has exercised its overriding influence This has happened because the way the federal system works depends to a great extent on the way the political forces operate in the country. So long as there has been a single party rule in both the Centre and the States, power has tended to shift towards the Centre

The centralisation tendency has been further strengthened through the way the financial resources are distributed between the Centre and the States While grants-in-aid to different States are determined by a finance commission appointed every five years under a constitutional provision, the Central Government can make use of another constitutional provision for discretionary transfer of resources from the Union to the States Much of the funds for implementation of five year plans has been transferred under this provision. The result is that many programmes are implemented at the local level because the Centre provides funds for them. Centrally sponsored schemes have become a common feature of the local development scene. Provision of funds leads to the determination of how they should be spent and what is the criterion of programme effectiveness. Such a concern of the Central agencies providing funds at least reduces local level initiative if it does not eliminate it completely Quite often, local interest in a scheme exists only till the time Central funds are available In addition, with the collector or the project officer being part of the administrative hierarchy which reaches to the top, there is far greater concern for monitoring the progress of the Centrally sponsored schemes. Both the State as well as the district administrators are quite anxious to see that little shortfall occurs in the expenditure of Centrally allocated funds. Fulfilment of financial targets helps the State to demand more and also brings credit to the officials concerned

DISTRIBUTION OF POWERS

The use of this discretionary method of distributing funds has also to be seen within the wider framework of devolution of powers under the Constitution The federal system provides for distribution of legislative or financial powers between the Centre and the States only. The village, block or the district considered as the three-strata of what is broadly termed as local level, have not been recipients of any shared power. The Constituent Assembly chose to ignore the issue because, as B N. Rau pointed out, the proposition "that our Constitution should start from the village and work upwards

towards the provinces and the Centre was at variance with the basic features of a modern constitution which dealt with state and central governments.[13] Rau further asserted that "... if we do this, not merely for the district but down to the village, the Constitution will be of inordinate length and will be even more rigid than at present."[14]

Apparently, then, delegation of policy making powers through the Constitution to any of the strata of the local level was given up both on constitutional as well as administrative grounds. Decentralisation was understood only upto the level of States and the levels below were assumed to be beyond the conceptual framework of the Constitution. Ambedkar added strength to this view of the Constitution with his famous comment in the Constituent Assembly about the backward environment of villages from which no progress can be made. The constitution-makers including Nehru asserted that India could not emerge as a modern nation if its developmental edifice was based on the concepts of village self-reliance or sufficiency.

However, as a concession to those who were strongly supporting the cause of making villages the building blocks of new India's development, the Constitution enjoined in its Directive Principles of State Policy that "The State shall take steps to organize village panchayats and enable them to function as units of self-government." Thus panchayati raj emerged as a product of an ideological debate in which the view of the villages emerged tarnished. It is probably this image that has continued to shape the perceptions of the policy makers towards rural institutions and local level planning particularly.

PANCHAYATI RAJ

Panchayati raj with its elective institutions was aimed at providing popular support to rural development programmes of the government. The Balvant Ray Mehta Committee suggested a three-tier structure from the village to the district level in which the elected bodies had interlocking membership with only one entry point at the base level.

The institutional framework of panchayati raj followed the pattern of community development scheme. The basic roles of the district collector, block development officer, extension officer and village level worker were unaltered. In addition, these development officials were now expected to work with non-officials. Thus, essentially, the vertical hierarchical pattern of bureaucracy was maintained while a new set of people and institutions was introduced to legitimise, to a great extent, the Centrally linked administrative action being taken at the local level.

[13]Shiviah M., *et. al.*, *Panchayati Raj : An Analytical Survey*, NICD, Hyderabad, 1976, p. 53.

[14]*Ibid.*

A consequence of this interlocking web of relationships between the officials and non-officials was the emergence of friction between the two and their lack of ability to work as a homogenous team. Without much responsibility for planning or utilising resources available in the area or ability to design schemes for local development, the non-officials took the opportunity of using their new found power to maximise benefits flowing out of the implementation of programmes and schemes being implemented in their area for themselves. The administrators, on their part, resented the injection of this type of leadership in rural administration and perceived it as a threat to their own power and influence. This led to a relationship of hostility which often resulted in lack of concern for achievement of targets and inability to relate programmes to the good of all people.

In this struggle for cornering benefits, panchayati raj institutions began to be seen as arenas of petty politics where the power of local elites found sustenance. Several studies pointed to the fact that the propertied and the privileged groups in the villages used these institutions to further their own narrow ends. Much of this happened because from the very beginning these institutions were not given adequate opportunity to take up planning and implementation work on a sizable scale [15] All developmental activities did not flow through them and the government continued to choose its own bureaucratic agencies to plan and implement major programmes in the rural areas. This further led to blurring of responsibilities and achievement of programmes suffered. In addition, giving greater responsibilities to bureaucratic agencies had even further implications. As the Mehta Committee Report[16] has pointed out, "Bureaucracy had probably its own role in dissociating panchayati raj institutions (PRIs) from the development process. Several factors seem to have conditioned their perception. The system of line-hierarchy would find favour with them as an organisational principle. The officers would feel that they are primarily accountable for results and financial proprieties to the State Government. The officials "knew no better than to trust their own fraternity".

The government further demonstrated its disinterest in these institutions by frequently postponing elections for them on one plea or another. Some States even superseded one tier or the other of panchayati raj in the interest of better programme implementation. For most detractors of local planning and decentralised policy making, events in panchayati raj presented a self-fulfilling prophecy. It was indicted for faults that are endemic in the Indian social-political scene. Singling out local institutions was an evidence of persistence of perceptions cited earlier. Thus, without a clear concept of how panchayati raj institutions were supposed to function as local planning

[15]*Report of the Committee on Panchayati Raj Institutions*, Ministry of Agriculture and Irrigation, Deptt. of Rural Development, New Delhi, 1978, p. 4.

[16]*Ibid*, pp. 5-6.

institutions and without a clear indication of the kind of professional and administrative support necessary to make local level planning successful, the government entered a new phase of development through special schemes and Centrally sponsored projects.

SPECIAL SCHEMES

Citing the need of greater expertise in planning and implementation of development, numerous specialised agencies have been established in the districts. All of them are set up to serve the needs of a specific area or a target group.

At the present moment, out of 392 districts in the country, only 62 districts have not been covered by one programme or the other. The distribution is as follows :

Distribution of Special Schemes among Districts

Programme	*No. of districts covered*
Small Farmers and Development Agency/Marginal Farmers and Agricultural Labourers	198
Drought Prone Area Programme	74
Integrated Rural Development	20
Command Area Development	124
Tribal Area Development	5
Integrated Tribal Development	64
Hill Area Development	3

SOURCE : J.P. Sharma and D S. Mehra, *Rural Development: Choice of the Programme and Strategy*, IIPA, New Delhi (mimeo), 1978, p. 3.

What is interesting is that there is more than one programme operating in all the above 330 districts. Thus, each programme demarcates its own area of interest and formulates and implements its projects. Establishment of these schemes has further tended to diffuse the concept of local level planning and planning has become confined to individual schemes or projects.

The emphasis on special schemes has led to greater emphasis on the need to build expertise in project formulation and implementation. Wider concerns of spatial units like a district or a block have tended to give place to the narrower though vital need of making projects capable of successful implementation. Efficient project formulation and execution has gradually emerged as the corner stone of the development effort as the special schemes at the district level have multiplied.

THE PROSPECT

Two other striking but related features of the context in which local planning is sought to be implemented need to be mentioned. In the usual discussions of planning at the local level, there have been advocates for either establishing the district or the block as the unit of local planning. Some of the discussion has sought to make out that there is an 'either-or' choice. The Dantwala Working Group Report[17] has argued that below the State or divisional level, "the issue whether a district or a block is more appropriate for the purpose of planning need not be viewed with rigidity". The Working Group has advocated that district and block should be assumed to be part of the same exercise where "block level planning is to be viewed not as an isolated exercise but as a link in a hierarchy of levels from a cluster of villages below the block level to the district, regional and state level "[18] This proposition leads towards the important conclusion that the determination of the scope of functions of local planning will depend upon the level of decision-making one is referring to. Thus, while planning is desirable at each level, its scope will differ What is being advocated, therefore, is not concentrating the planning function at a single level below the State but spreading it to each level of decision-making from village up.

If one were to accept the hierarchical levels of planning and the concept of linkages the other issue is concerned with the question of determination of the scope of planning activities at each level By and large, planning has been equated with decision-making function of choosing the direction of development based upon identification of local resources. This included setting of targets and optimum utilisation of financial resources available It was for this reason that devolution of powers was demanded to enable the local planning agencies to take decisions of allocation and mobilisation of resources effectively It has been assumed that if such powers were not delegated then the concept of local planning will be vitiated and made ineffective

As we have seen from the above review, little such delegation has occurred The centralising tendency has continued to be strengthened and the planning strategy has not adequately taken into account what it intended about local planning. The plan approach is still target oriented wherein the districts are expected to follow formulae established at the State or Central level in order to arrive at their production goals or targets Financial outlays are determined on the basis of these production targets. Most target setting is at the sectoral level, the needs of the area as a whole are not necessarily taken into account

The administrative system supports this process with sectoral departments being represented at the district and the district collector performing the

[17] *Report of the Working Group on Block Level Planning*, Planning Commission, New Delhi, 1978, p. 2.

[18] *Ibid.*

role of coordination among them. His coordination function is essentially confined to facilitating the achievement of sectoral targets and the concern for the spatial unit, the district, is not necessarily taken into account.The facilitative role of the district collector is also not provided to all sectoral schemes or individual schemes. His choice of which projects to monitor and give the weight of his influence for effective implementation is decided either at the State or Central level or depends on his personal whims. In any case, his concerns may not always be reflective of district needs. The result is that both planning as well as the administrative strategy have not brought about adequate changes in their own methods to support local level planning. The failure of not bringing about changes is of two kinds One is at the level of strategy itself which demands changes in the planning, budgetary and administrative procedures. These are changes broadly in the sphere of delegation of authority and power. The other is at the level of the inability to establish planning institutions at the district and block level. There have been several efforts at identifying the composition of a planning machinery at the district level including that by the Dantwala Working Group but few institutions have been established

It appears now that changes in planning, budgetary and administrative machinery and procedures are difficult to come by. The experience of administrative reforms since independence does not give us much hope of immediate modification. What can possibly be remedied is the second type of failure where additional planning cells need to be created. However, the inability of planning institutions to take shape at the district level is intimately tied to the identification of activities that should fall within the scope of planning at that level. With this identification, it also needs to be demonstrated that any new set-up will not pose a threat to the power and authority of the district administration including that of the sectoral department.

Therefore, the first task is to reconceptualise the tasks of planning at the district level. In the course of an action-research project on district planning*, we found that the cornerstone of special schemes was project formulation and execution The officials prepared their projects within the framework of guidelines that came from the Central ministries concerned. To meet financial targets, there is always a sense of urgency which places great pressure on the achievements of actual expenditure rather than on the goals of a programme. So either projects remain on paper and are not implemented at all or are implemented but without being properly formulated. Some of the members of our team in the district have attempted to help out individual officials in preparing projects on a scientific basis. The members of the team have also prepared projects where new programmes are being attempted like *antyoday*

*District project planning cells—An action-oriented research project conducted under the coordination of the Indian Institute of Public Administration, New Delhi, in six districts, *viz.*, Jodhpur, Kurnool, Mahendragarh, Panchmahals, Purulia and Ramanathapuram (1978-81).

But, by and large, the team has not been able to provide enough support because there have to be as many subject matter specialists in the team as in the district to formulate projects in all the areas. However, successful implementation of Central schemes depends on how well projects are formulated and executed. Thus, currently, the greatest need at local level is identification of projects relevant to the area or target groups, formulating them and executing them effectively.

Secondly, we have found that still there is little systematic effort at looking at the district as a whole. As already mentioned, the district collector acted as a facilitator so that sectoral schemes are implemented effectively. He rarely sought to perform the planning function In any case, he did not have adequate staff support even to examine the suitability of a scheme with the needs of the district. What became the major planning function was in relation to locational planning. This aspect of local planning has been emphasised by the Manual on Integrated Rural Development[19] when it justifies the need of a block level plan because "it serves as a guide for appropriate locational decisions". However, in the face of paucity of systematic data, decisions on location have tended to be based on local knowledge and experience or influence rather than on any systematic resource analysis or data base.

Thus, within the tasks being performed at the district level, the following appear to be the major requirements :

(*a*) Professional expertise in order to formulate projects so that schemes are executed effectively.

(*b*) An adequate data base that can feed systematised information for planning purposes to both the district as well as levels higher up.

(*c*) A systematic monitoring system that can make the district authorities take corrective action

(*d*) An evaluation system that can assess whether the location, identification of beneficiary groups and operational processes of project implementation are fulfilling the goals of the programme or not.

Preparation of projects will continue to be the responsibility of the implementing agencies and hence what needs to be done is to enhance the capability of district officials in project planning, in locating projects spatially and in implementation This has to be done through training programmes and the Dantwala Working Group has gone in detail in prescribing the content of these programmes.

Strengthening of skills of the officials at the district level stems from the argument that the essential element of the special schemes is that the goals

[19]*Manual on Integrated Rural Development Programme*, Ministry of Rural Reconstruction, New Delhi, p. 6.

and procedures of these schemes are still being determined at the Central level. Only disaggregation of schemes into specific projects is envisaged at the district/agency level. In order to do so, project formulation and analysis techniques become an important part of the administrative equipment.

The other more important function to be performed is that of monitoring the progress of projects being implemented at the district level. Monitoring becomes all the more important because with so many projects being implemented, links among them have to be identified so that projects mutually support each other. In addition, the purpose of monitoring has to shift from reporting of financial progress to providing support to the emergence of an integrated view of the development of an area. For this purpose, a more systematised view of monitoring has to be adopted. Secondly, monitoring of projects and their linkages cannot be left to the vagaries of the district collector. That would continue to damage the concept of integration and lead to an unbalanced approach towards district development. Therefore, monitoring has to be done of certain crucial projects so that the overall interests are taken care of. Finally, a distinction will have to be made between monitoring and the current system of submission of reports. A mass of data collected through elaborately designed proformas make their journeys from the village level to the top Such a movement of data may not be entirely functional to any level of decision-making. Therefore, a system of sifting data is required which processes information and makes it relevant for each level of operation so that corrective action can be taken. At the same time, there is a need for rationalisation of data collection to meet functional requirements.

To undertake the above mentioned tasks, professional skills are required at the local level. But, because monitoring is essentially an implementation function, as it allows the managers to take corrective action in time, these skills cannot be placed in an agency set outside the executive system. Such a separation, for example, may not help the collector unless these professional skills act to provide him staff support to help him perform his role as facilitator and coordinator more effectively.

The tasks of evaluation, on the other hand, can be located outside the district administrative set-up particularly if they are concerned with impact evaluation.

Thus, if the scope of planning at the local level is restricted to monitoring, evaluation and review and preparation of a systematic data base necessary to improve the planning of schemes at the State or Central level and locating projects at the local level, then there are two-fold requirements : (*a*) steps have to be taken to improve local implementation machinery through changes in procedures of work, system of reporting, evaluation of personnel, etc , and (*b*) establishment of a cell consisting of a few professionals at the district level who help support the implementing agencies perform these tasks better.

Even though we had identified that the establishment of district cells would be easier than bringing about changes in the overall administrative, budgetary and planning system, such an assertion is rather premature For even in terms of staffing, the IRD Manual (1980) mentioned above, has diluted the recommendation of the Dantwala Working Group and commended only a three-member team consisting of an economist/statistician, a credit planning officer and a small/cottage industry officer.[20] Together with this, the status of these cells in relation to the implementing agencies has yet to be clearly defined. Our experience in the study mentioned above has been that the cells have not been able to appropriate for themselves the necessary prestige to influence the district administrative machinery. Among the many reasons, the office in which they are located has an important bearing The collector's office continues to command high prestige and not only has this cell to be part of its outfit but also has to be seen to be used by him. Together with this the cell must have links with the planning agency at least at the State level which can demonstrate the acceptance of its role and also influence the relevant local agencies to utilise the data and expertise provided by it. Thus, a district cell can be functional only if the above factors are taken into account.

An additional but important factor to make planning at local level effective is the nature and extent of public participation at that level If a local democratic institution is aware of its responsibilities, it alone can effectively utilise the data generated by the district cell but also provide for a feedback channel necessary both for implementation and formulation of local programmes and projects Specific efforts in this direction have been lacking Even the Dantwala Working Group has not been able to come up with concrete suggestions In fact, the Group has cautioned . "If we wish to plan for the weak the plan may have to be imposed from above and cannot be (simply) a product from below. in which below, is dominated by the rich and the strong "[21] It has done so because, as Dantwala himself in a later article has pointed out "public participation often develops into a lobby of vested interests "[22] Therefore, most observers of the rural scene have come to the disconcerting conclusion that public participation cannot be meaningful unless effective steps are undertaken to promote more egalitarian structure of ownership of assets Because, this opens up many more issues, public participation has usually remained at the level of respectable rhetoric

[20]*IRD Manual, op. cit.*, p. 39.

[21]*Dantwala Working Group Report, op. cit.*, p. 12.

[22]M L Dantwala, "Block Level Planning Revisited" *Economic and Political Weekly*, Vol. XV, No. 30, p. 1280.

FINAL CONSIDERATIONS

What needs to be emphasised is that with the acceptance of the proposition that the district is only a link in a hierarchy of planning decisions, it is possible to designate the scope of planning at various levels differently. For various constitutional, ideological and administrative reasons, it has not been possible to accept district as a unit of planning in the strict sense of the term. Therefore, it is necessary to parcel out the planning functions in such a way that the district performs such functions that are most appropriate in the overall framework. This cannot be done, however, without adapting the local administrative system to the new needs. Establishment of a district cell can only provide support to this change. By itself, it may be quickly sucked into the usual administrative funnel. Local level planning cannot also succeed without effective public participation.

Therefore, it depends on the extent of will existing in the policy-makers and planners to operationalise and institutionalise planning at the local level. The development strategy is the product of socio-political forces at work and the processes and institutions of planning further reflect this interaction. Well established methods of work have to be transformed and these require something more than hopes expressed in the plans and guidelines.

□

The Technology of Human Cooperation

Because we have lived from birth in a society with an advanced technology of cooperation and have learned so much of this technology without awareness, we accept the miracles of human cooperation all about us as though they were natural or indeed inevitable. But they are not. Far from it. This technology was achieved through incalculable human industry, much systematic thought, and the flashes of inspiration of occasional geniuses. The technology of human cooperation must be learned afresh with each generation. Still fuller achievement of human purposes depends upon its extension by study and invention.

—*The Study of Public Administration*,
DWIGHT WALDO, 1955.

The Political Executive and the Permanent Executive: An Analysis of the Emerging Role Patterns

Shriram Maheshwari

PARLIAMENTARY DEMOCRACY brings into operation a particular political arrangement which entrusts the country's administrative system including its resources, both human and material, to the people's elected representatives who, thus mandated, carry on the tasks of governance for the period for which they are elected. This group of people, the political executive, is under an obligation to ensure the continued performance of current functions and enforcement of existing laws and rules, and, in addition, the accomplishment of goals and objectives it had itself outlined before the electorate. No political executive in the twentieth century inherits a completely clean slate to start on, and soon after taking the oath of office it discovers that it has inherited a large body of laws, rules, programmes, functions, and responsibilities, which it is under an obligation to enforce and execute (unless annulled) and to which it is also called upon to add Even the most radically inclined political party coming to power in the Union Government inherits over 1,500 Central statutes, a large number of them had been enacted by the British, and it builds on them by taking up new tasks and initiating new measures it has promised to the electorate.

In addition, the political executive gets the legacy of the administrative system which indeed becomes automatically the instrument for the implementation of its programmes and policies. The term 'administrative system' refers to all those institutions and offices created under the governmental and quasi-governmental control as well as the personnel manning and operating them. It is a huge and expanding machine employing a large manpower possessing varied skills and competence The administrative system at the Central level alone employs, for instance, over three million persons and they constitute the permanent executive—permanent because while the members of the political executive are temporary, coming into public office and going out of it depending upon the electoral verdict, they are recruited on the basis of a set of objective criteria and, besides, are expected to serve and service the political executive with utmost devotion, competence and impartiality. It is this faith which sustains and brightens up parliamentarianism. One cannot do better than quote Earl Attlee, the Prime Minister of Britain, who

succeeded Winston Churchill but inherited the civil service which had worked under his political predecessor, many members of which were even appointed by him.

> When I succeeded Mr. Churchill as Prime Minister and returned to the conference at Potsdam, I took with me precisely the same team of civil servants, including even the principal secretary, as had served my predecessor. This occasioned a lively surprise among our American friends who were accustomed to the American system whereby the leading official advisers of the President and of the members of his Cabinet are usually of his and their own colour. This incident brought out forcibly the very special position of the British Civil Service, a position which has developed during the past hundred years as the result of the Trevelyan-Northcote reforms.[1]

He continued :

> I do not think that this remarkable attribute of impartiality in the British Civil Service is sufficiently widely known nor adequately recognised for what is—one of the strongest bulwarks of democracy. I am often at pains to point this out and did so at a recent conference of Asiatic socialists in Rangoon where I told them, to their surprise, that the same men who had worked out the details of Labour's Transport Act were now, at the behest of a Conservative Government, engaged in pulling it to pieces[2]

POLITICAL EXECUTIVE

Democracy postulates a kind of hierarchical arrangement placing the political executive at the top of the administrative system which is obliged to function as an instrument of the former to carry out its policies and programmes—no less than to enforce the existing laws, implement the on-going programmes and carry out myriad functions.

The relationship between the political executive and the permanent executive necessarily depends upon the form of democracy the society has opted for. The parliamentary democracy postulates a particular kind of relationship, which is unlike that obtaining under the presidential system of government. In India the political executive is the council of ministers with the prime minister at its head, but in reality it is the cabinet, a smaller body consisting of the more senior members of the council of ministers The cabinet, functioning on the principle of collective responsibility, is the top policy-making body in the government and exercises control over the entire

[1]C.R. Attlee, "Civil Servants, Ministers, Parliament and the Public", *Indian Journal of Public Administration*, Vol. 1, No. 2, April-June 1955, p. 95.
[2]*Ibid*, p. 95.

machinery of government and public personnel. To transact its business it ordinarily meets once a week and more often depending upon circumstances The political executive's control over administration is continuous and all pervasive. The cabinet, as already mentioned, is the top policy-making body and it controls the permanent executive by virtue of this position and the functions which flow from it It has, subject to the compliance with constitutional formalities, the power of appointment and removal of personnel and of issuing directions to ensure proper execution. It particularly exercises surveillance and control over the machinery of government by obliging the following matters to come before it for decision :

(*i*) Cases involving legislation including the issue of ordinances
(*ii*) Addresses and messages of the President to houses of parliament
(*iii*) Cases involving negotiations with foreign and commonwealth countries on treaties, agreements and other important matters
(*iv*) Cases relating to proclamation of emergency under Articles 352-360 of the Constitution and other matters related thereto.
(*v*) Cases relating to commencement or cessation of a state of war and related matters.
(*vi*) Proposals relating to:(*a*) creation of new corporations or companies wholly owned by Central Government or by a public sector undertaking; (*b*) participation by the Central Government or a public sector undetaking in providing share capital to a new or any existing corporation or company; (*c*) winding up, amalgamation, or such other major schemes of structural reorganisation of public sector undertakings.
(*vii*) Cases in which a difference of opinion arises between two or more ministers and a cabinet decision is desired.
(*viii*) Cases in which a committee of cabinet or its chairman desires a decision or direction of cabinet in a matter of importance on a subject assigned to its charge.
(*ix*) Cases having financial implications on which the finance minister desires a decision of the cabinet.
(*x*) Proposals to vary or reverse a decision previously taken by the cabinet.
(*xi*) Any other case which the President or the prime minister may by a general or special order require to be brought before the cabinet.

Matters other than these fall within the spheres of individual ministers Here also not all kinds of business need come to the minister for his direct handling and disposal. Indeed, there are well-defined internal rules regarding the levels of decision-making, leaving only the more important items of work to be decided by the minister. These rules, however, do not restrict his powers and position, and he is at liberty to decide himself on any item of work

falling under his political charge. He, moreover, enjoys the right to issue directives and instructions to the public personnel under his charge.

The minister's responsibilities are numerous and varied and of a delicate nature and in order to make a dent on the system he must learn to view his role in a perspective. He is to lay down policies on subjects falling under his charge, ensure their effective implementation and, besides, provide drive and leadership to those working under him. He has under his command an administrative structure and he must delegate functions to his administrative subordinates. He should as a rule make only general decisions and avoid interesting himself in particular decisions, which instead should be left to the administrative hierarchies for handling.

Such, then, are the general responsibilities of the ministers in a parliamentary system of government and though these have gradually crystallised first in Britain, they constitute the essential ingredients of the parliamentary system of government as obtains in India—indeed wherever it prevails. In India, however, ministers have not shown any marked inclination to restrict themselves to such general policy-making roles and instead have been increasingly interesting themselves in particular cases. This practice, first emanating at the State level but since seventies taken recourse to even at the Central level, has become fairly widespread entailing grave dysfunctionalities for the political system.

PERMANENT EXECUTIVE

The functions of the permanent executive, the civil service, are broadly two fold. One is the 'staff' function which, for instance, is performed in the secretariat where the civil servants' responsibilities consist in assisting the minister in policy-making.[3] It may be pointed out that a political party when it comes into power has with it only general ideas of the policies it wishes to

[3]It is appropriate to quote Sir Warren Fisher who defined, with enviable brevity and lucidity, the minister-civil service relationship while tendering evidence before the Tomlin Commission on the Civil Service in Britain (1929-31) :

> Determination of policy is the function of minister and once a policy is determined it is the unquestioned and unquestionable business of the civil servant to strive to carry out that policy with precisely the same energy and precisely the same goodwill whether he agrees with it or not. That is axiomatic and will never be in dispute. At the same time it is the traditional duty of civil servants, while decisions are being formulated, to make available to their political chief all the information and experience at their disposal, and to do this without fear or favour, irrespective of whether the advice thus tendered may accord or not with the minister's initial view. The presentation to the minister of relevant facts, the ascertainment and marshalling of which may often call into play the whole organisation of a department, demands of the civil servant the greatest care. The presentation of inferences from the facts equally demands from him all the wisdom and all the detachment he can command.

(Continued on next page)

follow. It has not till then worked out the details of the policies nor the mechanisms of the manner in which to execute them This is the case even with the political parties in the West. In India, the policy announcements of the political parties are even feebler and vaguer giving hardly any meaningful clue to what they would exactly do and in what manner This happens because, among others, they do not have effective policy planning cells or research wings to engage in policy-making—as is the case with the political parties in the West. More often than not, personal predelictions, even idiosyncrasies of individual political leaders pass for what get known as policies. The expert knowledge required for transforming such policies into actionable programmes, backed by the necessary laws, rules, regulations and directives is as a rule made available by the civil servants working in the secretariat. It is their professional duty to tender the advice to the minister without fear and based on the highest standards of competence and integrity They must point out to the minister the implications and the consequences of the policy he proposes to adopt However, once the policy is decided by him they must from then onwards address themselves to the task of its efficient execution

It is worth mentioning here that both the political executive and the permanent executive are subject to the Constitution and the laws of the land, and no one, however exalted be his office, can act illegally and immorally. What this means in this specific context is that the civil servants located in the secretariat are the minister's advisers and aides, but they must conduct themselves within the four corners of the laws of the land.

The staff functions have a strong resemblance with the legislative task. It is as we know the recognised function of a legislature to enact laws while it is the task of the secretariat personnel to frame rules and regulations to make them actionable There does not thus exist any essential difference between the writing of a law and the writing of rules and regulations

Besides, the civil service has the 'line' function also, which is performed by what are called the attached and subordinate offices in the Union Government and directorates and district administration in the States As briefly referred to at the start of the present paper, the civil service implements the laws and executes the various plans and programmes This sphere of civil service action, it must be noted, lies outside the direct manipulation by the

(*Continued from previous page*)

The preservation of integrity, fearlessness, and independence of thought and utterance in their private communion with ministers of the experienced officials selected to fill the top posts in the service is an essential principle in enlightened government, as whether or not ministers accept the advice thus frankly placed at their disposal, and acceptance or rejection of such advice is exclusively a matter for their judgment—it enables them to be assured that their decisions are reached only after the relevant facts and the various considerations have, so far as the machinery of government can secure, been definitely brought before their minds *Royal Commission on the Civil Service · Minutes of Evidence*, London, H.M.S O, 1931, p. 1268.

minister, for the public functionaries operating in this area derive their authority from specific laws figuring on the statute book, and they are personally accountable for the manner of execution.

The line function which the civil servants are called upon to perform acquires the colour of a quasi-judicial work. The field level public personnel in a way apply the laws to particular cases and here the source of authority is the law, not the minister. A superintendent of police, for instance, has to decide whether to prosecute a person on the basis of facts available to him and while engaged in such an analysis he is applying a law to the facts before him in the same way as a judge.

This line of analysis is important and must register itself with both the ministers and the civil servants. The minister's authority is ordinarily supreme (subject to the Constitution and norms of public morality) in the staff functions, but not so in the area of administrative action where line functions are performed. These two fields of activities must not be confused or mixed.

OPERATIONAL REALITY

The minister, it has been noted in the present paper, is the policy-making authority, and the civil servants posted in the secretariat are to advise him in this respect. In practice, however, there is a reluctance on his part to welcome correct advice and, what is more, the civil servants too on their part are turning sychophants and giving the kind of counsel which would please the minister[4], showing not much concern for public interest.

The minister, generally speaking, does not work at his proper level and interests himself in line functions as well as personnel matters. Almost all ministers, today, betray an obsession with matters like individual postings, transfers, promotions and similar acts of patronage; and management of civil service postings and transfers appears to be the only creative activity in

[4]One may, for instance, note the following comment made by the Administrative Reforms Commission (1966-70) though there is a steep deterioration in this relationship since then :

> There is a disinclination among quite a number of ministers to welcome frank and impartial advice from the secretary or his aids and an inclination to judge him by his willingness to do what they wish him to do. Instances are not wanting of ministers preferring a convenient subordinate to a strong one and thereby making the latter not only ineffective but a sulky and unwilling worker. This has also bred a tendency on the part of an increasing number of civil servants to attempt to anticipate the minister's wishes and proffer their advice accordingly. A further development of this unhealthy trend is the emergence of personal affiliations leading to an element of 'politicalisation' among the civil servants. All these cut at the root of the healthy relationship. The Prime Minister should take special interest to curb this tendency, with the assistance of the cabinet secretary and the central personnel agency.
>
> *Report on the Machinery of the Government of India and its Procedures of Work*, New Delhi, Administrative Reforms Commission, 1968, para 56.

several governments and several departments in India This aspect of ministerial behaviour has attracted adverse comments from the successive administrative reform committees, but instead of this habit disappearing or remaining under control, it has become even more deeply entrenched in the contemporary political life in the country.[5] While, therefore, public administration feels

[5]It is instructive to read the following letter written by a minister in Punjab to the legislators of his State.

> "While I am anxious to exchange views with my colleague legislators on day to day problems and equally anxious to ensure, as far as possible, that their constituencies are properly looked after, at least insofar as the departments which fall in my portfolio are concerned, I have felt that most of my time in office is being spent on conversations and in listening to grievances and complaints of the individuals who accompany legislators or come along The practice of running to a minister on minor matters, which could be attended to and which have ultimately to be referred to local officers for disposal, seems lately to have grown out of all proportions, with the result that :
>
> 1. Most of the local officers do not properly attend to complainants who go to them independently As the number of references to these officers from ministers on routine matters have greatly increased, they have lost their due importance which perhaps once they had;
> 2. Most of the time of the ministers is spent on attending to each individual and little or no time in office or at their residence is left for files which go on accumulating and which do not receive proper attention Very little time is left for original thinking, for chalking out schemes for improving working of the departments under their charge
>
> You will appreciate that if I do not devote sufficient time to dispose of files or think of new schemes aimed at the general uplift of the masses, I shall be failing in my duty as minister to the country, to the State and to you also who have put me on this chair. True, I may succeed in shifting a petty official from one place to another or even secure justice to an individual, but in the larger context I shall have not done my duty. This feeling has been pricking my conscience and this feeling has compelled me to write this letter to you in the hope that you will cooperate with me in this matter. We must educate the masses, before it is too late, to get things done in a regulated manner. The people should approach the legislators only when they have exhausted all the sources prescribed in the law or under rules The legislators, in turn, should approach the ministers after they have failed to get a problem settled in consultation with the local officers concerned and they feel that the importance of the issue to the general public is such as warrants a discussion with the minister I would request you to write to me and apprise me of the problem, after which I shall be too glad to fix up a time with you, so that we should be able to have a thorough discussion with the help of material with Government and arrive at a decision which may not have to be changed the next morning, as it is happening in many cases I again assure you of my utmost consideration to you and assistance in all matters but only expect you to cooperate with me so far as method of approach is concerned I have said all this in the general interest of the State."
>
> *Report of the Punjab Administrative Reforms Committee*, Chandigarh, Controller of Printing and Stationery, Government of Punjab, 1966, pp 64-5
>
> It has to be noted that the political culture of the country has, over the years, become more solicitous of particular issues,

the presence of the politician-minister at the wrong place it does not get from him what he is expected to provide, namely, public policies. Only a very small number of the several hundred ministers presently holding office at the Centre and in the States appear to concern themselves with policy-making Most of them have made it a habit to perform line functions and thus decide particular cases. Especially in the States, a very large number of ministers have little aptitude for policy making but evince unbounded interest in particular cases.

The reasons for the ministers not observing the correct course of action which is considered to be normal in the maturer democracies appear to be the following:

1. It requires knowledge, intelligence and perseverance to make public policies. Most ministers lack the ability to comprehend policy implications, much less articulate them.
2. In contrast, it is much easier to decide particular cases, more so when such decisions are to be ad hoc in nature.
3. The kind of minister holding political power today is generally innocent of the rule of law, the bed-rock of democracy. A product of adult franchise in a predominantly illiterate environment, he is deeply imbued with the native political culture according to which the ruler is all powerful, his will is law, and there is no check on his powers.
4. The elected representatives in India carry exaggerated notions about themselves and their position in the political system. It is common for the legislators to claim all kinds of privileges and for the ministers to insist upon absolute authority over matters constitutionally under his charge This is contrary to the theory and practice of parliamentary democracy as operating in maturer societies. But such a notion has gained widespread currency in the country and the minister does not fully recognise the limitedness of his brief.
5. It is by deciding the individual cases that the minister builds up both a support structure and a resource structure for himself. He is able to oblige persons, build up contacts, and meet caste, communal and regional pressures Political corruption has been thriving in India precisely because of ministers' indulgence in individual cases for granting of favour—or frown The linkage politics, characteristic of present day Indian politics, owes itself primarily to the propensity on the part of the ministers to decide particular cases.

Such wrong priorities of the minister have produced imbalances and dysfunctionalities in the country's political system The professional norms of the bureaucracy have suffered serious erosion, and a general climate of normlessness prevails all round. The minister has been able to accomplish all this because of the triple powers at his disposal: (*i*) power of transfer,

(*ii*) power of suspension, and (*iii*) power to give accelerated promotion or deny promotion.

It is clear that when one joins the civil service one has to take in one's stride the post that may be offered. It is exactly this which many civil servants are not mentally prepared to accept, and it is precisely here that the ministers make interventions. The civil servants are inordinately choosy in this regard and, what is more, the resourceful among them even succeed in getting plum posts in Delhi and other metropolitan places It is this knowledge of the civil servants' weakness that the minister uses to serve his political and personal ends. He obliges them by giving them postings of their likings, and, as its *quid pro quo*, the latter too learn to reciprocate.

Many reasons account for the bureaucratic reluctance to take transfers stoically First, the contemporary administrative culture of India tends to make too much of a distinction between various posts and so a recently recruited civil servant undergoes a particular socialisation process and begins to manipulate postings and transfers right from the start of his career. Secondly, there are several 'wet' posts in administration which are very attractive to civil servants and which also carry a premium Such posts are filled up through the politics of manipulation. Thirdly, there is, rightly or wrongly, a widespread feeling among the civil servants that, in order to survive and swim, one needs to have a god father in politics and they make a special effort to cultivate the influential (which means unscrupulous) politicians for their own career improvement. Finally, India is not a homogeneous society with an even distribution of infrastructural facilities Indeed, the social infrastructure is so heavily concentrated in Delhi and a few other metropolitan places that many civil servants would loath moving away from such places. Moreover, the educational system in operation in different States of India is not similar and a boy receiving his schooling in the Hindi belt would find it extremely difficult to adjust himself in a school in a different linguistic zone. As a civil servant of today generally comes from a middle class background with a limited bargaining capacity (because of acute unemployment in the country) a mere threat of a long-distance transfer tends to make him particularly vulnerable to pressures Besides, there are many civil servants who are highly conscientious, applying the laws in an even-handed way. It is natural that they would harm certain vested interests which, thus provoked, then mobilise their resources to get them transferred—and posted at far off places. This has a demoralising effect on the bureaucracy. In short, administrative transfers and postings are no longer the functions of the chief personnel agency in the government; they have become devices available to the influential politicians to manipulate the civil servants.

A second power available to a minister to break in a civil servant is that of putting him under suspension on one pretext or the other. The Supreme Court of India has held that suspension is no punishment, and thus buttressed, the minister can suspend a civil servant without having to assign any

reason whatever and for as long as he wants. A civil servant, put under suspension, is apt to get completely demoralised, much more so of he is a person of integrity and character. There have been cases of senior and honest civil servants remaining under suspension for years, their fault apparently being their unwillingness to oblige the minister.

The third device at the disposal of the minister is that of awarding or denying promotions. As promotion is not considered as a right, civil servants naturally look to their superiors, including the political leadership, for such advancements. Besides, there are many plum posts in public administration which are virtually reserved for the favourite civil servants.

It is by a dextrous use of these three devices that the contemporary political leadership in India has been able to secure in practice an accommodating bureaucracy. Honest and professional oriented civil servants have been gradually eased out from the *sanctum sanctorum* of administration and posted in the administrative periphery while the pliable and the plaint ones find themselves planted at all strategic positions.

The above is perhaps too one-sided an account of the civil service made to wilt under political pressures. How does the political leadership gain by administrative transfers if the bureaucracy is truly professional? A civil servant's successor would in that case equally uphold the laws and the rules and show no signs of succumbing to political blandishments The minister would then realise before long the futility of the game of shifting people to and fro. The distressing fact today is that the civil service has lost its elan and is itself not professional, ready to do anything or everything—in the expectation of a reward, or for fear of, say, transfers. The various commissions of inquiry set up by both the Central and State Governments have dutifully confirmed the existence of civil servants who have little bothered about the prevalent laws and professional propriety and freely aligned themselves with the political executive in cynical disregard of public interest. They pander to the wishes of their superiors in a desire to secure protection for themselves. Highly selective in their response patterns, they feel no compunction in bending backwards to do what is required by those in a position to oblige or 'punish' them. Rules may get interpreted favourably, precedents are overlooked and administrative wheels begin to move with fantastic speed. But the same administrator operates at a snail's pace when a common man goes to him for something. It would be utterly naive to cast the civil servants in the image of reluctant sinners; they are willing, on occasions, even leading, partners in the shady deals It would thus be perhaps correct to say that "both the politician and the civil servant have learned by now to accommodate each other in a wide variety of matters."[6]

[6]S R. Maheshwari, "Constituency Linkage of National Legislators in India," *Legislative Studies Quarterly*, Vol. 1, No. 3, August 1976, p. 353.

CONCLUDING OBSERVATIONS

The bureaucracy in India is thus bearing the brunt of two kinds of politics —politics from without and from within. All strategic positions in public administration are increasingly getting reserved only for those who have their spokesmen among the influential politicians or senior bureaucrats, for, where the politician leaves, they take over. The civil service in India is not homogeneous; it has factions based on regionalism, casteism, or service memberships, all obsessed with the manipulation of postings and promotions and matters of personal advancement All taken together, a civil servant who is devoted only to his work, and performs it impartially, discovers himself to be completely isolated and before long finds himself consigned to the administrative periphery with little hope of retrieval

The relationship between the political and the permanent executive has come to be characterised by a growing feeling of uneasiness, even suspicion and a civil servant's uppermost consideration, today, is to play safe and to show only routine initiative and drive in his work. This breeds a tendency for over-consultation and most matters are pushed upward for decision-making In years to come, politics in India is likely to become both more intensive, aggressive and multilinear accompanied by an increasing traditionalisation of itself, largely as a result of the emergence of new political leadership thrown up by the contemporary political and electoral processes. The civil service, consequently, is apt to face new and novel pressures and in more concentrated dosages, and in the process Max Weber would be discovered to be nearly totally irrelevant. It appears that India is on its way to evolving an Eastminster model of role relationship between the political executive and the permanent executive.

It is obviously too harsh and untrue to ascribe this kind of behaviour to the totality of the civil service. There are civil servants noble and devoted and they would be the pride of even the most advanced administration in the world One may say that between ten to twenty per cent of the higher civil servants may be put in the category of deviants behaving in the way as reported by the various commissions of inquiry Between one-fourth and one-third of the mandarins are totally dedicated, conscientious and morally upright. The remaining segment of the higher civil service, which is nearly half of the total number of senior public personnel, would ordinarily like to act according to established rules and regulations, distinctly standing apart from the first enumeration yet not falling in the second category of personnel. They would not collude with the ministers nor would they at the same time dare collide with them. They [illegible] the weather reports rather minutely and prune their conduct [illegible] they do not get drenched If the politi[illegible]ship is itself [illegible]ty they would move clo[illegible] if it is [illegible] found to be nearer to

Inspiration : An Essential Element for Administration in Action

E.H. Valsan

WHEREAS THE general theme of the special issue tempts one to indulge in administrative astrology, this writer considers it appropriate to revive some of the old lessons for the benefit of the coming decades. Exactly a decade ago a theoretical analysis of the role of inspiration in development administration was presented in a book.[1] What is attempted here is to have a retrospective look at some of the major propositions in that analysis and to examine their relevance for the coming decades. Whereas originally the author derived the concept from the area of community development and rural local government, today the need to have inspiration for administrative action seems to be all pervasive. Similarly, whereas at that time the author had tried only to generalise in terms of administration in developing countries, recently, there seems to be a recognition of the role inspiration can play in the service sector of the developed countries also.[2]

It must be mentioned here that there is no question of ignoring other or more important aspects of administration while making an effort to emphasise the role inspiration can play in effective administration. Even in the original writing, inspiration was included only as one of the dynamic elements the administrators should be aware of in addition to the functional elements normally mentioned in literature.[3]

In this article an attempt is being made to identify the context, nature, role, sources, dynamics and constraints of the concept of inspiration in administration.

In 1980 at the threshold of another development decade several nations are faced with problems of inflation, expansion of bureaucracy, dissatisfaction with services, political and administrative corruption and perpetuation of

[1]E H. Valsan, *Community Development Programs and Rural Local Government: Comparative Case Studies of India and The Philippines,* New York, Praeger Publications, 1970, pp. 385-401. Due to the exclusive 'special studies' nature of its publication it did not get adequate attention in this country.

[2]Morgan J. Doughton, "People, Power—An Alternative to Runaway Bureaucracy," *The Futurist,* Vol. XIV, No. 2, April 1980, pp. 13-22.

[3]E H. Valsan, *op. cit.,* p. 401.

a mechanical system of administration. There is frustration at all levels of administration and the public in general are pessimistic or apathetic about the coming decades. What we have as an asset is the experience of the last three decades of successes and failures in development activities.

AN OLD CONCEPT

Inspiration is an old concept and hence, has been, and is likely to be dismissed as 'nothing new'. In fact, however, the real strength of the concept is its 'age' and the tested historical validity. Nations have been created, liberated, built up, held together, defended, and modernised, thanks to, among other factors, the inspiration that their leaders and people were able to derive and pass on to the administration of those countries.

The Ataturk, Lenin, Gandhi, Churchill, Nehru, Nasser, Tito, and Kenyatta in their respective countries inspired scores of men and women at all levels of administration for quite some time Whereas these national and internationally known leaders are always talked about, little is mentioned about the inspiring role performed by the administrators at the lower levels in different countries. Along with the revolution or the independence of nations, development efforts also began in most countries and these were often accompanied by leadership which was able to inspire people to work together for various national, regional, and local projects In course of time, however, such inspiring leadership vanished and the programmes got institutionalised with dull routines in such a way that the enthusiasm and the vigour which characterised their establishment disappeared. It is the contention of this paper that developing countries with limited resources and unlimited problems need to emphasise the need for deriving and maintaining inspiration for continuous action and reconstruction An awareness of this factor is essential for development administration because it can help the mobilisation and better utilisation of resources. Organisations which are mechanically put together on the basis of traditional concepts of 'control and command' ultimately get saturated. Administrators who look at motivation generally in the context of superior-subordinate relationships, and trade unions and staff associations which ask for increments in salary and amenities as incentives for work, seem to be able at the best only to maintain the *status quo*. Dynamic growth of organisations and societies needs something more than individual motivation That something is what we call inspiration.

SOURCES OF INSPIRATION

Our concept provides, unlike the concept of unity of command, multiplicity of sources of inspiration.[4] Everyone can and can be reminded to draw

[4] E H. Valsan, *op. cit.*, pp 393-394.

inspiration by the goals of the nation as well as from the objectives of the programmes or projects. Even if one's boss is not an inspiring person, being goal-oriented, one can still be inspired to act and thereby be inspiring for others. In a country where 360 million people live below the poverty line what greater fact is needed to inspire the civil servants to discharge their public duties earnestly? If this message is spread effectively, even the boss may be inspired by a dedicated subordinate and, together, they will be able to create a circle of service-minded workers. Success of their enterprises will inspire others to work hard whereas a dedicated team will draw inspiration even from the challenge of failure

One of the most unfortunate aspects of the developments in several countries has been that despite their loud proclamation of socialism, democracy and equality, as not only guiding principles but also as articles of faith for public policy, the organisational structures and bureaucratic relationships set up during the past three decades have been contrary to those principles. In the place of the old caste system we have now the new class structures which are nurtured and compartmentalised even in the face of active trade unionism and volatile demonstrations. Such divisions on the basis of salary and power within the organisations influence and dictate the social relationships among different groups. Their children grow up with superiority/inferiority complex not in the least inspired by the idealism of Gandhi or the principles enshrined in the Constitution.

Awareness on the part of superior officers of the inspiring examples they can set not only for their subordinates and colleagues, but, in the long run, for their children also, can create wonders in the environment of their work Unfortunately the number of such administrators who know this is negligible. Even in the diplomatic services where (due to foreign allowances etc.) the employees enjoy a better standard of living, our missions are not, in most cases, able to reduce the disparities in living styles and to project the image of a truly socialist state! It is so seldom that one comes across the human qualities of Ambassador Apa Pant who probably, till this day, long after his retirement, remains respected by the 'officers' as well as the assistants and security guards who have worked with him.[5] The ability to convince one's subordinates that they are all involved in a common endeavour through action which is more articulate than words, seems to be a rare virtue among our officers. Actually inflation and the relative loss of prestige have not had much impact on most of our bureaucratic elite in their social thinking and attitude towards their subordinates How can such people be expected to produce results through their commands and uninspiring attitudes towards

[5]In 1978 the author asked a local recruit who has served in an Indian embassy for over twenty years: "Who was the best Indian ambassador you have worked with?" The answer came back as a question: "Does it have to be told?" and he added· "There is only one Apa Pant in this world".

the staff? How can they be expected to create an atmosphere of team work to produce results?

Close observation and several interviews with a number of IAS and IFS officers in recent years have given this writer an impression that the training they receive does not sufficiently prepare them to be inspiring administrators. Educational knowledge and awareness of strategies of human behaviour may be there, but the essential quality of giving and taking human respect seems to be generally a derivative of family upbringing than organisational training. The families where snobbery is considered 'class' behaviour may produce candidates who top in written and oral examinations, but do not produce civil servants for a democratic society.

One of the ironies of our community development programmes from the beginning has been that while the grassroot relationships and responsibility to produce results was with the lowest development workers like the VLWs, their salaries, living conditions, etc., were the least inspiring [6] This is true of health services and other areas of government activity where morale of the lower level employees is very low, and still, important commissions set up to study the administration, do not give adequate attention to their problems.[7]

TRAINING

One of the tragedies of our training institutions and programmes is that except where inspiring individuals start them as pioneer institutions with purpose and discipline, and chalk down rigorous methods of administering the programmes, very often those who are not fit for anything else are asked to head such institutions. Once this writer visited an important training centre for the cream of administrators of a country and invariably every trainee told him that the head of the centre was the least inspiring of the entire faculty! At another place when family planning programmes were supposedly being given full support by the government, the head of the regional family planning centre was an invalid doctor who was kept there out of sympathy only to sign papers From a humanistic point of view this might sound a good idea, but in the absence of an effective head, the institution's activities were suffering and the deputy director who was quite capable seemed to be working with a grouse in not getting the job while doing the donkey work. One can imagine

[6]This point was elaborated in detail by the author in "Development Bureaucracy. A Tentative Model", *Indian Journal of Public Administration,* Vol XVIII, No. 1, January-March, 1972, pp. 36-50.

[7]An interesting article brings forth this point in G. Haragopal and K. Murali Manohar, "Some Aspects of Morale in the Rank and File of Indian Bureaucracy", *Indian Journal of Public Administration,* Vol. XXII, No. 4, October-December 1976, pp. 705-729. For instance, the authors wrote "There seems to be a feeling among the policy formulators that the subordinate levels are not crucial to administration", p 708

the level of inspiration of the trainees who attend the programmes in such institutions.

Still in another country many of the so-called management training programmes are utilised in order to distribute favours among academic friends and partners in consulting companies with very little regard for planning the programmes to suit the trainee requirement and seldom bothering to check the competence and preparedness of the instructors who ultimately accept the job only to get additional income Added to this is the fact that in such institutions the trainees themselves come with a view to get away from regular work and have a nice time. Wherever such situation prevails in training definitely one thing is lacking—inspiration. If the training programmes are not, besides providing technical knowledge, able to recharge the trainees with a new sense of mission and purpose, what is the purpose of conducting management development programmes? Again, even where the training is conducted more seriously, what would the human behaviour trainees learn if the professors do not treat their staff including peons with human dignity both in official and social life?

INSPIRATION *VS.* CORRUPTION

As much as has been written about both political and administrative corruption, here it is enough to emphasise the fact that it is the lack of inspiring rules, values, and individuals at the political, economic, social, and administrative institutions that cause corruption. How can a politician who asks money from a public enterprise for election purposes stop the very manager, who gives him this amount, from taking some for his benefit? How can the lower level executives follow an ethical conduct and how can there be a public sector sense of responsibility in such a concern? Overhauling of such vicious situation will require inspiring and exemplary leadership at all levels.

This concept is suggested as a supplementary to the concept of chain of command.[8] The contention is that it is not enough to have one inspired and inspiring leader to set examples. There must be a chain of inspiration running vertically and horizontally within the organisations thus creating a vibrant sense of dedication among the personnel. Whenever and wherever the chain is broken the usual routine will set in.

It is easy to cite examples of excellence from the experience of a few places which were developed because of the exemplary leadership of certain individuals like Aktar Hamid Khan in Comilla, Dr. V. Kurien in Anand, or in Egypt, Dr. Salah Arafa in Basaisa and any number of such islands of success

[8] E H. Valsan, *Community Development Programs and Rural Local Government, op. cit.*, p. 391.

in development.[9] One can learn important lessons from their experience and try to see if the methods of leadership and administration adopted by them can be applied elsewhere.[10] One advantage common to all of them is the limited area of their operations. Unlike the nation-wide inspiration felt and followed by the masses during the struggle for independence, faced with the realities of administration, one is inclined to opt for smaller areas for successful operations. Hence the need to locate, create, and maintain inspiration at lower levels of government like State, district, taluk, and even panchayat levels as also in the public sector companies. The need for more decentralisation and delegation is all the more felt in view of the need to inspire people for action at the grassroots. If the leaders at these levels are aware of the dynamic sources of inspiration, the chain of inspiration can spread laterally and vertically to broader and higher levels and the creation of a nationally inspired network of administration is possible. The centralised system of dull, routinised system of administration will then give way to a decentralised yet integrated and inspired tool for community and social development.

INFLATION *VS.* INSPIRATION

All our high sounding advocacy of inspiration will not stay its ground in the face of the leaping inflation in cost of living. This is a problem which is to be tackled with economic, social, political and administrative implications in mind. However, to dismiss the idea of inspiration as an irrelevant factor in the face of inflation would amount to tragic defeatism. On the contrary, there is a definite need today not only to be inspired to tackle inflationary trends but also to see to it that administrative efficiency and output are not reduced in the name of inflation. There is a tremendous challenge today to the leaders of the nations inflicted by inflation to provide inspiring leadership to their nations. In India, the massive majority enjoyed by the ruling party provides it with another opportunity to be inspired by the support given by the masses and by their expectations. Right measures and exemplary personal behaviour and austerity in private and public life of managers can go a long way in tackling these problems. Inspiration being dynamic and reciprocal,

[9]Aktar Hamid Khan's leadership in the sixties in establishing and guiding a pioneering institution and movement for rural development at Comilla in Bangladesh and the successful contributions of cooperative dairy entrepreneur Dr. V. Kurien at Anand are well-known. Dr. Salah Arafa, a young professor of physics at the American University in Cairo adopted an isolated village in Basaisa, far away from a district town in Egypt, for his experiments in generating solar energy for rural purposes and in the process became an inspiring leader of the development effort in the village.

[10]The author has tried to show how in Egypt the administration of the Suez canal after nationalisation and the high dam construction were managed by the administrators under inspiring atmosphere — with a view to examine their applicability elsewhere, E. H. Valsan, "An Essay on Egyptian Experience of the Development Administration," *Journal of Social Sciences*, Kuwait, Kuwait University, October, 1979.

the more the government responds to popular demands, the more inspiring will be the support they receive from the people and *vice versa.*

CONCLUSION

What is attempted above is only to emphasise the role and an awareness of the potentials of the concept 'inspiration' can play in administration. As was mentioned in the beginning there is no intention to undermine the value of other concepts or aspects of administration.

Illustrations of failures and frustrations are given only to point out the need to draw inspiration for solving them The entire concept was derived from illustrious examples of inspiring people or movements and developed with the purpose of identifying and enhancing the role of increasing numbers of such people and programmes. Any attempt to institutionalise inspiration in a mechanical way will only be counter-productive. On the contrary, if politicians, administrators, social workers, and communicators are kept constantly aware of the potentials of the concept, it is hoped that many among them will be, through their own exemplary behaviour and actions, able to inspire others For, clear vision with inspiration[11] will be needed to solve the problems of administration in action during the coming decades.

□

Crisis of Spirit

Whether we like it or not, the problems of the future compel our attention, for they are already upon us There are many aspects of the human condition which trouble thoughtful people. The crisis that we face goes far beyond political and economic rivalries It is a crisis of the spirit For the first time in the story of our world, the human species and the values of civilisation, which have enabled man to rise above his circumstances, are threatened because we have lost sight of the vision of our ancient sages and are obsessed with the immediate discontent

—SMT. INDIRA GANDHI, *Prime Minister, at the Commonwealth Heads of Government Regional Meeting, New Delhi, 1980.*

[11]Similar idea is expressed by R.N. Haldipur, "Bureaucracy's Response to New Challenges", *Indian Journal of Public Administration,* Vol. XXII, No. 1, January-March, 1976, p 13.

Accountability of Public Servants: Recent Developments in Canada

O.P. Dwivedi

PUBLIC SERVICE exists to satisfy certain needs of the community. Its existence depends upon the trust, confidence and support (both financially through taxation and also through the obedience of laws and regulations enforced by public servants) it derives from the public through their representatives. Unlike the private sector, it cannot (as expected) become too self-seeking and obscure. Its every action and inaction is subject to a thorough scrutiny Consequently, its rights are few but obligations many and more pronounced than those one expects from the private industry. Public servants are duty bound, at least that is what the community expects, to be objective, fair, moral, and dedicated in administering public policies and programmes And public trust and confidence is assured when public servants are found managing the public programmes soundly and being held accountable for their actions This paper examines the issue of accountability in the Canadian public service by reviewing the reports of two recent commissions of inquiry on public service management, and by critically evaluating the impact of these inquiries on government administration

THE BACKGROUND

Of the various commissions of inquiry appointed by the Canadian federal government to examine and report upon the many facets of public service, none left a more far-reaching imprint on governmental operations than the Royal Commission on Government Organization (Glassco Commission). It preached a new philosophy of management in the public service It let a battle cry out. 'let the managers manage', and recommended a significant shift in the balance of power among institutions The Glassco Commission advocated a massive devolution of authority from the two central agencies (Treasury Board and Civil Service Commission) out to various departments, agencies, and commissions. The Glassco Commission employed a whole battery of management consultants to review various reports prepared by its project officers; then these recommendations were examined by advisory committees of private and public corporation presidents, and finally by the

Commissioners themselves. Consequently, the imprint of the business world approach to problem solving is clearly evident in its recommendations.

The main findings of the Glassco Commission pertaining to personnel management were sharply critical of the state of affairs. The Commission clearly stated:

> The charges laid at the doorstep of the personnel management system, and largely confirmed by our investigation, can be bluntly stated: there is a waste of human resources, because of the failure to give orderly consideration to the best methods of providing and utilizing people and the consequent frustration of many individual careers; the procedures are costly and time consuming, personnel management in departments is generally misdirected, mainly because accountability for the effective use of personnel is fragmented or virtually non-existent.[1]

Consequently, the Commission recommended that the development and coordination of personnel policy should rest with the Treasury Board while the departments and agencies would have more freedom in staffing, employee mobility, and in other personnel functions. The Civil Service Commission (CSC) was to become a staffing agency to certify all initial appointments in the public service—to ensure fairness, to provide service-wide training and development programmes under the guidelines developed by the Treasury Board, and to act as appeal board on grievances relating to disciplinary matters By doing this, the Glassco Commission took the control mechanism of managing human resources from the central personnel agency and gave it to the Treasury Board and partially to the departments and agencies. From the Glassco viewpoint, the existing system resulted in confusion and resentment mainly because "efficient performance cannot be secured where intervention in the supervisory process by a non-managerial body displaces the exercise of necessary authority by departmental management" [2] Thus, the Glassco Commission concluded that once all departments and agencies were empowered to exercise that responsibility and authority for management of human resources which was essential to good management itself, any anomaly relating to effective performance of the public service "would be removed at a stroke".

Winds of change created by the Glassco Commission were enthusiastically effected by John J. Carson when he assumed in September 1965 the chairmanship of the CSC. Under his leadership, the CSC embarked on a deliberate programme of delegation of authority to departments in the area of recruitment, selection and promotion. The CSC also began preparing itself for the days when it would be legally emasculated under the

[1]Canada, *Royal Commission on Government Organization,* Volume 1, Management of the Public Service, Ottawa, 1962, p 255.

[2]*Ibid*, p. 256.

enabling legislation The advocates of the concept, 'let the managers manage', and those who wanted to see the Treasury Board responsible for managing programmes, expenditures, and personnel policies found Mr Carson a sympathetic person for their cause.

While the CSC was undergoing major organisational changes, preparatory to the forthcoming legislation which would put a formal seal of reduction in its authority, the Treasury Board secretariat was growing, both in size and influence, to undertake the major tasks and responsibilities recommended to it by the Glassco Commission The major propositions, as recommended for the Treasury Board, consisted of (1) collective responsibility for the managerial decisions (both for the financial and personnel sectors) would rest with the Board, and (2) it will have its own minister and a separate identity as a full-fledged department of government In essence, the Treasury Board emerged as 'general manager' of the public service However, complicated administrative manoeuvres had to be undertaken to place with the Board necessary powers required for its new role as the management arm of the cabinet [3]

Between 1963 and 1966, when on internal realignment of powers and responsibilities in the bureaucracy was being effected, the Pearson Government appointed a Preparatory Committee on Collective Bargaining which recommended in 1965 in favour of collective bargaining in the public service and suggesting that the Treasury Board was to be the locus of managerial responsibility for negotiating with employees associations and unions [4] Thus, the Board not only became an overseer of public service programmes but also started acting as an employer on behalf of the Government of Canada

The Treasury Board was proclaimed a separate department on October 1, 1966, under the Government Organization Act, 1966 The secretariat of the Treasury Board which had previously been a division of the department of finance was transferred to the new portfolio The newly established, but powerful department, was to be responsible for ensuring effective expenditure management, personnel management, and the development of management improvement practices throughout the public service Out of these three mandates, it was the expenditure management (done under the programme branch) which became the focal point of the Treasury Board's relation with all departments and agencies on matters of programme priority, content, manpower allocation, and allocation of budget to programmes Effectiveness and efficiency of particular programmes was to be judged through expenditures.

Not much room was left for any problem which may develop later whereby

[3]For details, see J E Hodgetts, *The Canadian Public Service A Physiology of Government*, 1867-1970, Toronto, 1973, Chapter 11, pp 257-262

[4]For a review of the background and the recommendations of the preparatory committee, see O P. Dwivedi, "Recent Developments in Staff Relationships in the Public Service of Canada", *Public Administration*, Sydney, Vol 24, December 1965, pp 359-67

departments and agencies might find themselves hamstrung by a myriad of policy and procedural directives issued constantly by the Treasury Board. To some, the Board became too powerful, too privileged, and too prone to substitute its own judgments, its own values and its own priorities for those of other departments, and even for the government itself. The image of this agency has been described by its former secretary, A W. Johnson:

> In the minds of many public servants the Treasury Board of Canada. .. could be likened to Kafka's Castle: the apparent if unknown source of authority which governs the village (the Public Service)—remote, mysterious, all powerful, beyond comprehension in terms both of reason and judgment, and above all beyond the reach, let alone the influence, of the ordinary mortals governed by it.[5]

Any agency which is responsible for controlling expenditures is generally not liked by line officials It must perform the most unpleasant task of saying no to various demands (justified or inflated) from operating departments and agencies; and contrary to any perception, it cannot arbitrarily determine the allocation of funds between competing agencies (or within competing programmes of an agency) However, it does have a significant managerial clout which gives it the popular view of being amorphous, inaccessible, and powerful. There is no doubt that the agency which is authorised to control pursestrings is bound to control other resources such as personnel and materials. The source of this authority was the Financial Administration Act of 1966-67 which rendered unto the Treasury Board the following responsibilities for managing the federal public service: (*a*) to determine the manpower requirements of the public service; (*b*) to determine requirements for the training and development; (*c*) to provide for the classification of positions and employees; (*d*) to determine and regulate the pay, hours of work and leaves; (*e*) to provide for awards to employees for outstanding performance; (*f*) to establish standards of discipline in the public service: (*g*) to establish standards governing physical working conditions, health and safety of employees; (*h*) to determine and regulate expenses relating to travel; and (*i*) to provide for terms and conditions of employment for effective personnel management in the public service.[6] As can be surmised, the managerial leadership in personnel matters has come to rest with the Treasury Board.

Along with the Financial Administration Act, also passed was the Public Service Employment Act, 1967, which spelled out clearly the extent of the jurisdiction to be enjoyed by the Public Service Commission. Anything not expressly mentioned under the enabling legislation had to be assumed to be

[5]A W. Johnson, "The Treasury Board of Canada and the Machinery of Government of the 1970's", *Canadian Journal of Political Science*, Vol. IV, No. 3, September 1971, p. 346.

[6]Canada, *Financial Administration Act*, R.S.O. 1970, Section 7 (1).

reserved for the Treasury Board The legislation confirmed the independence of the Commission; and it empowered the Commission to make appointments based on merit. However, while prescribing selection standards as to education, knowledge, experience, language, age, residence, or other matters, the Commission's requirements would not be inconsistent with the classification standards prescribed by the Treasury Board.[7]

To sum up, the personnel system as it evolved by 1967 was based on the concept that preventive measures were needed to avoid wrongdoings in the government service Previously, overdependence on the rule book created an environment of caution and safety which seems to have frustrated programme initiative throughout the government service Although the control measures adopted by the three watchdogs (Civil Service Commission, Comptroller of Treasury, and Treasury Board) did eliminate the 'spoils system' in the public service, this preoccupation tended to set a bureaucratic environment which inhibited the development and achievement of programme objectives and proper assignment of responsibility and authority in the public service "It took a long and expensive session on the psychoanalyst's couch, namely, the Royal Commission on Government Organization", thus remarked John Carson, "to point out the need for the public service to come into the second half of the twentieth century" [8]

THE COMMISSION ON ACCOUNTABILITY

While the Glassco recommendations and other such principles of management as PPBS and MBO were being implemented, the country was shocked by the annual report of the auditor general who indicted the federal government by a devastating attack on the quality of financial management, and warning that the government and indeed parliament might have lost, or was in the process of losing control over the public purse This claim by the public watchdog generated an immediate public demand that the Trudeau Government do something. And the government almost immediately did announce the appointment of a Royal Commission on Financial Management and Accountability, chaired by Allen Lambert, a banker, with three other commissioners : Robert Despres, Professor J E. Hodgetts and O G. Stoner.

The Lambert Commission was appointed on November 26, 1976, with a mandate "to examine and report on the management system required in the inter-related areas of . (*i*) financial management and control, (*ii*) accountability of deputy minister and heads of crown agencies relative to the administration of their operations, and (*iii*) the evaluation of the administrative performance of deputy ministers and heads of crown agencies, and

[7]Canada, *Public Service Employment Act*, 1967, Section 12(1)

[8]John J. Carson, "The Role of the Public Service as a Force in Our Environment", an address to the National Planning Conference of the Community Planning Association of Canada, Ottawa, October 9, 1967, p. 11.

the inter departmental structure, organization and process applicable thereto. . ."[9]

The Commission's terms of reference included specific instructions to examine how financial management policy should be developed, promulgated, and applied and to recommend procedures to ensure that necessary changes are identified and current policy regulations and guidelines are adhered to. To expedite this task, the terms of reference also provided that the Commission examine the organisation necessary in central agencies, government departments, and crown agencies to achieve the foregoing.

In a dramatic departure from previous royal commissions, the Lambert Commission was instructed to examine the institution of parliament but only from the viewpoint of financial accountability. The terms of reference directed the Commission to examine "systems and procedures to ensure effective accountability to government and, *where appropriate to Parliament,* of the administration of government departments and agencies "[10] Finally, the mandate contained the question-begging (rhetorical) stipulation that the Commissioners ensure that their recommendations form a mutually compatible management system appropriate to the requirements of government. Presumably the prime minister was subtly telling the Commissioners that the types of practices applied in the private sector would not necessarily be feasible or appropriate if implemented in the public service

The focus of the Commission was directed to the study and evaluation of financial management practices within departments and crown agencies and the process of evaluating the administrative performance of deputy ministers and heads of crown agencies and holding them accountable for the discharge of certain administrative duties. The Commission decided to restrict the meaning of the accountability concept in this context mainly to financial accountability, although great emphasis was placed on the evaluation of senior public servants and programme results.

In Part I of the report, the Commission outlines 'a framework for a mutually compatible management system'. The Commission's theory of management is logically integrated and its basic ideas are consistent with one another However, the suggested management system approach developed by the Commission begs critical assessment, as provided later in the paper. Part II deals with the principle of ministerial responsibility, the organisation and functions of central agencies, and the expenditure planning function in government Parts III and IV deal respectively with organisation, financial management, and accountability in departments and crown agencies Major emphasis is placed on the duties and responsibilities of deputy ministers and crown agency heads. Finally, Part V, entitled 'Accountability to Parliament : Closing the Loop' contains a short treatment of the

[9] Canada, Royal Commission on Financial Management and Accountability (Lambert Commission), *Final Report,* Ottawa, March 1979, p. vi.

[10] *Ibid.,* p. vii.

main problems which the House of Commons committees encounter in their efforts to hold the government accountable through the review of the estimates and public accounts.

The Commission emphasises that any proposal for reform must respect the dictates of responsible government operating within the framework of the parliamentary system. The government must be held responsible to parliament and the government in turn must necessarily exact an accounting from the public service As the Commission explains:

> Such a system of management must unequivocally reinforce the capacity of Parliament to fulfil its historic and crucial role of calling Ministers collectively and individually to account for the conduct of the nation's affairs. This must be matched by an increased capacity on the part of Ministers collectively and individually to hold departments and agencies fully accountable for the efficient and effective discharge of their responsibilities [11]

The Commission does not advocate a return to centralisation but the delegation of authority with attendant accountability. A return to the pre-Glassco period would not work since, in the judgment of the Commission, the size, diversity, and complexity of government had long since passed the point where any highly centralised organisation could possibly implement the great number of policies and programmes that had been developed to achieve the multiple objectives of the governmental system. Accordingly, individual departments and agencies must be delegated authority with responsibility to achieve specific objectives and be provided with the necessary human and financial resources. On the other side of this model are the functions of central control agencies which include working with ministers in clarifying the roles and goals of operating departments and agencies, 'providing strong leadership and direction' with respect to how objectives should be achieved, and assuming overall jurisdiction related to administrative policy and sound management practices. This central direction is essential in rendering units in the public service accountable to government in order that their performance can be assessed.

This central direction is essential in rendering operational units accountable to the government for their performance as stewards of the public purse. This linkage is of fundamental significance because it determines the extent to which the government can account to parliament As the Commission makes clear. ' Delegation of authority without accountability is an abdication of responsibility on the part of those conferring it, whether Government or Parliament."[12] The Commission develops a model of financial account-

[11]Lambert Commission, *Final Report*, p 31.
[12]*Ibid*, p. 32.

weakness: the Commissioners perceived the management and accountability problems of the public service from a private sector perspective. Instead of seeking to understand how public administration differs in nature from management in the private sector, both Commissions seemed to proceed from the premise that business practices are superior and can easily be applied to the needs of government The Commissioners apparently believe that a practice which works well in the private sector would work equally well in the public service. As D C. Rowat explained this weakness in his evaluation of the Glassco Commission Report: "The most telling criticism, I think, is that the Commission approached its task with a general bias in favour of free enterprise and business management . . This assumption that business methods are best often blinded it to the essential differences between public and private administration "[15] Both Commissions are almost totally oblivious to the fact that political considerations pervade the entire decision-making process in government and they did not think out the political implications of their recommendations. The Commissions failed to appreciate, in Rowat's words, that "economy and efficiency are by no means the only criteria by which the excellence and effectiveness of public administration should be measured."[16]

The state in a democratic political system is expected to govern and provide certain basic services according to ethical standards which cannot be measured simply in cost-benefit terms. Ethical considerations may be the dominant influence in initiating and formulating certain government programmes while efficiency and economy are regarded as comparatively unimportant. Governments are judged in the eyes of voters as much in terms of their adherence to these political and ethical criteria as they are in terms of their stewardship of the public purse. A mindless extension to government of a principle that had proven successful in the private sector would be simply unrealistic and inappropriate

'LIMITED' MINISTERIAL RESPONSIBILITY !

On the concept of ministerial responsibility, the Lambert Commission commented :

> While we have no wish to dispute the principle of ministerial responsibility, there can be little doubt that today the degree to which a minister really has the effective management and direction of his department is open to question . . . The twin assumptions that Parliament has clout as well as the information to exact a relevant accounting, and that the

[15]D. Rowat, "Canada's Royal Commission on Government Organization", *Public Administration*, London, Vol. 41, No. 2, Summer 1963, p 199.
[16]*Ibid*, p. 203.

departments can be managed and directed by ministers, do not hold as they once did [17]

The Commission stops short of questioning the appropriateness of the parliamentary system itself. The Commission did ask, in its progress report, "In the present-day context, can the minister alone continue to be held accountable to Parliament for every aspect of the administrative performance of the department or crown agency?"[18] Obviously, the controversy over the relevance of the concept of ministerial responsibility in modern times has been further deepened.

According to the Commission, meaningful accountability requires (*a*) procedures for setting objectives and for assigning responsibility to achieve goals, (*b*) a reporting system that provides information on the progress made toward achieving such goals, and (*c*) an evaluation of the reported performance Basically, the Commission was to examine "the way in which Parliament holds the Executive to account for the conduct of its administration of government and the way in which the Executive in its turn holds the senior managers of the public service and crown agencies to account for their administration" [19] The Commission considers these two interrelated systems as the foundation for democratic and responsible government And the Commission certainly contributed to the controversy by asking. "In the present-day context, can the minister *alone* continue to be held accountable to Parliament *for every aspect* of the administrative performance of the department of crown agency?"[20] It appears that the Commission interested in introducing a new element into the doctrine by making the deputy minister and crown agency head equally accountable before parliament Such a profound change in the parliamentary system of government requires constitutional discussion and parliamentary approval

Ministerial responsibility, an ancient feature of English government, has been a firm parliamentary rule and tradition in Canada. The doctrine implies, as noted by A.V Dicey, "the legal responsibility of every minister for every act of the crown in which he takes part "[21] It means that a minister is accountable to parliament for anything he or his department does or for anything he has powers to do, whether he personally does it or not Herbert Morrison explains that "if a mistake is made in a Government Department the Minister is responsible even if he knew nothing about it until, for example, a letter of complaint is received from an M P., or there is criticism in the press, or a question is put down for answer in the House, even if he has no

[17]Lambert Commission, *Final Report*, p. 373.

[18]Canada, *Royal Commission on Financial Management and Accountability, Progress Report*, Ottawa, 1977, p 33.

[19]*Ibid*, p. 8.

[20]*Ibid*, p 33 (italics mine)

[21]A V. Dicey, *Law of the Constitution*, London, 1893, 10th edition, p. 303.

real personal responsibility whatever, the Minister is still held responsible."[22] Such a blanket obligation on the part of a political executive has been necessary to protect the integrity and the traditional anonymity of public servants The only exception to the rule is the case where a public servant acts deliberately outside or contrary to the policy of his department. Ambiguity in the doctrine, if any, was clarified in the Crichel Down case of Britain which laid down the following principles governing the formal position of the minister vis-a-vis his public servants.[23] a minister must be personally responsible (a) where a public servant carries out an express order, and (b) where a public servant acts properly in accordance with the policy laid down by the minister, or as per laws administered by that department. However, where a public servant has taken action of which the minister disapproves and has no prior knowledge and the conduct of the official is reprehensible, then that action relieves the minister of the responsibility. In the Crichel Down case, when the then minister of agriculture, Sir Thomas Dungdale, resigned his office (not because he had been personally responsible for what had happened), he greatly added, by doing so, to the honour of public office and thus strengthened the constitutional doctrine He said in the House of Commons · "I, as Minister, must accept full responsibility to Parliament for any mistakes and inefficiency of officials in my department, just as, when my officials bring off any successes on my behalf, I take full credit for them."[24] Such an exemplary instance is a rare phenomenon elsewhere.

On the contrary we find that while in England the statutes generally confer powers on the minister to act, in Canada the statutes commonly provide for a decision by the 'governor general in council'—that is, the cabinet. The necessity of obtaining collegial decisions, thereby making the whole cabinet responsible for detailed problems of management, has injected a curious element into the doctrine whereby in Canada ministers are considered collectively responsible for all government policies and programmes. However, individual responsibility seems to have turned into a convention whereby a minister is responsible for any scandalous behaviour or for any admitted personal error *but not for every act* of his public service subordinates. The Lockheed affair and the McDonald Royal Commission examining the improper activities of the Royal Canadian Mounted Police are but some illustrations of the practice. That is why a case such as the resignation of Sir Thomas Dungdale, Agriculture Minister of the UK, because of the Crichel Down affairs, could not happen in Canada The classical theory of individual responsibility for every and any act of public servants has clearly given way to the convention that ministers' responsibility implies merely

[22]Herbert Morrison, *Government and Parliament*, London, 1959, p. 321.

[23]Geoffrey Marshall and G.C. Moodie, *Some Problems of the Constitution*, London, 1959, pp. 67-87.

[24]Quoted in John Freeman, "The Public Administrator and the Public in U.K.", *Indian Journal of Public Administration*, Vol. XIII, No. 1, 1967, p. 13.

their obligation, collectively and individually, to provide parliament information and answers sought, and to be held personally accountable for every action of their departments if it was done on their initiatives, or in accordance with their stated policy On this convention of limited ministerial responsibility, the Royal Commission on Australian Government Administration has commented thus .

> .. while ministers continue to be held accountable to Parliament in the sense of being obliged to answer to it when Parliament so demands, and to indicate corrective action if that is called for, they themselves are not held culpable—and in consequence bound to resign or suffer dismissal—unless the action which stands condemned was theirs, or taken on their direction, or was action with which they ought obviously to have been concerned.[25]

In 1977, a committee of Canadian senior public servants which reported on the concept of the ombudsman, further strengthened the above view by stating that a minister "cannot be acquainted with, or personally criticized for, every detail of administration in his department . . Thus, the degree of ministerial responsibility seems to diminish as one moves out of the realm of broad policy and into the domain of administrative action that occurs in a specific and limited context "[26]

Granting that the nature of ministerial responsibility has changed over the years, and that it would be rather unrealistic to hold a minister personally accountable for every act of his subordinates, but in practice no arrangement has been made to substitute the vanishing ministerial administrative accountability to parliament and the public Consequently, we have a vacuum in the realm of administrative accountability of the government This must have prompted the Lambert Commission to wonder whether the deputy minister and crown agency head should "also be accountable before Parliament for the probity, efficiency and economy with which they administer their operations."[27] Obviously, the concept and mechanism would have to be deliberated and formulated with great care, for implications are so profound that even the nature of our parliamentary system of government may be radically altered

FINANCIAL CONTROL

The Lambert Commission found several fundamental weaknesses in the

[25]Australia, *Royal Commission on Government Administration, Report*, Canberra, 1976, p. 60.

[26]Canada, *Report of the Committee on the Concept of the Ombudsman*, Ottawa, 1977, pp 16-17.

[27]Lambert Commission, *Progress Report*, p 33.

existing financial management of the federal government. None of the departments or agencies appear to be held effectively accountable; expenditures contained in the estimates are proposed by departments in ignorance of projected revenues (contained in the budget) and without being related to priorities; weak parliamentary review; and little public participation in expenditure planning. The lack of discipline and coordination in financial planning, the Commission feels, had "led to incremental budgeting, crisis planning, poorly conceived ad hoc solutions to problems, and excessive flexibility in programme management."[28] The Commission suggests that the federal government prepare a five-year fiscal plan which should be presented to the House of Commons well before the submission of the annual estimates and the budget. Through this instrument, parliament would be able to examine "the totality of government spending, its past results, present impact, and future direction "[29] With suitable changes in the preparation of the estimates and the budget, the House of Commons can have adequate information. Currently, the ability of members of parliament to exert a degree of influence over expenditures is limited because parliament never gets to see the revenues and expenditures, side by side, and in totality. But the suggested fiscal plan could remedy the situation. Also, each department or agency, through its senior officers, can be made individually responsible to specific parliamentary committees for the effectiveness-evaluation of their programmes. This direct accountability imposed on permanent heads would enable the House of Commons to exact a fair view of not only the negative aspects of the departments' affairs (as presented by the auditor general's report) but also of their accomplishments This would also strengthen the personal commitment and loyalty of senior managers to their departmental goals and objectives.

The Commission proposes that the Treasury Board be renamed the board of management and headed by a senior minister designated as the president and assisted by a junior minister designated the vice-president. The existing Treasury Board secretariat would be renamed the personnel management secretariat with its deputy designated as the secretary for personnel management. This secretariat would assume all current personnel functions of the Treasury Board plus the staffing function now performed by the public service commission.

The comptroller-general's office would be renamed the financial management secretariat and its deputy head designated as the comptroller-general. This revamped board of management would be the central agency clearly assigned the task of ensuring the effective management of financial and human resources within departments and agencies. The board would provide sufficient central direction and managerial leadership to ensure that

[28]Lambert Commission, *Final Report*, p. 71.
[29]*Ibid*, p. 79.

departments and agencies are held accountable for their performance.

The board would be assigned the task of creating an improved format for the estimates and public accounts which related programme goals to resources consumed and compared actual with planned results In addition, the comptroller-general would assist departments in the preparation of annual reports which would explain their activities and performance. Such reports should be permanently and automatically referred to the relevant standing, committees of parliament.

The two secretaries of the proposed board of management would also be required to appear before appropriate parliamentary committees to answer for the overall quality of financial and personnel management in the public service The Lambert Commission is astute to make clear, however, that structural reform in itself will not suffice unless party leaders and members are devoted to demanding better administration and are prepared to be more diligent and vigilant in exacting an accounting from the cabinet. While the House of Commons functions adequately as a forum for partisan debate, it does not presently operate as an effective watchdog of the public purse since the merits of issues are submerged by partisan division The Commission concludes that·

> While present arrangements provide that the undisputed need for the opposition parties to challenge the Government in the House and in committee on political issues will, at least in part, be satisfied, they do little to ensure that Parliament's influence will be extended to matters of accountability for management and administration If Parliament is not in a position to require this accounting, whether because of the inadequacies of the mechanisms and procedure available to it, or because of a lack of will to stress these as important issues, there will be little reason for the Government, and in turn the public service, to pay as much attention to matters of administration as they do to the development of policy and the support of ministers in their various roles [30]

PERSONNEL MANAGEMENT

The Lambert Report contains only a preliminary treatment of personnel management in the public service. It recommends, for instance, the important structural change of transferring the staffing function from the public service commission to a revamped treasury board Jurisdiction over all important personnel matters in the public service would be vested in the secretariat for personnel management of the board of management with the exception of the protection of the merit principle, the hearing of appeals on staffing decisions, and certain investigations which would remain under

[30]Lambert Commission, *Final Report,* p 418.

the authority of the public service commission. The other main personnel issue dealt within the report was how to evaluate the performance of senior public servants.

The proposed board of management would assume authority and responsibility for all personnel policy and management functions, including the staffing function, which would be transferred from the public service commission. The protection of the merit principle would continue to be vested in the public service commission which would serve as parliament's watchdog over merit in recruitment and promotion in public service. The public service commission would have the authority to investigate the propriety of staffing decisions and hear complaints arising from these decisions.

Concern has been expressed about concentrating personnel management in the board of management by arguing that the public service commission plays a vital role as a countervailing force within the public service. There is a possibility that such a concentration could increase confrontation between operating departments and central agencies and among deputy ministers; and this confrontation for senior positions could result in increased conflicts among ministers Furthermore, the possibility of political patronage reappearing insidiously when appointments would be controlled centrally is great if the staffing function was transferred from the public service commission to the board of management headed by a political minister [31]

While concentrating personnel management in one department or agency would make good economic sense in the large business corporation, this reasoning cannot be appropriately applied to the public service where other important factors must be considered. The most important of these is the integrity of the merit principle which parliament has sought to protect in giving a politically independent agency, the public service commission, the responsibility of staffing the public service An important political value to be considered in staffing the public service is that it be representative of Canada's two official languages. Political interests and values do and should pervade the decision-making process in government and take precedence over purely economic considerations. The implication here is that, if necessary, some degree of 'inefficiency' could be suffered in the public service if certain political values are to be upheld. As public service commissioner, John Edwards, emphasises :

> This decision (Parliament has decreed that staffing shall be carried out within a merit system) means that staffing goes beyond the straight prerogative of management and must serve other values and interests, such as the need to have a Public Service that is representative of Canadian Society, the need to ensure that employees and those seeking employment

[31]For further elaboration, see Douglas Hartle, "The Report of the Royal Commission on Financial Management and Accountability (The Lambert Report)· A Review", *Canadian Public Policy*, Vol. V, No. 3, Summer 1979, p 370.

are treated visibly with equity and so on. Thus our tradition has been to create a staffing activity that is a blend of management function and other broader considerations.[82]

Immediately after the establishment of the Lambert Commission, the federal government decided to appoint a special committee on the review of personnel management and the merit principle in the public service. The committee, chaired by Guy R. D'Avignon, submitted its report in October 1979. During its tenure, the committee met with the Lambert Commission and both decided to restrict their jurisdictions. Thus, the Commission's examination of the details of personnel management is negligible. However, the committee, taking the lead from the Lambert Commission, declared that the present state of personnel management is a result of the failure of successive governments to provide an effective corporate management structure and system. It recognised the authority vested in the Treasury Board to function more fully as the corporate manager. It listed the following basic problems in personnel management :

1. absence of a corporate management, hence of leadership; absence of any philosophy of management, a public service organisation without a head;
2. excessive and inflexible regulation; slavish adherence to universally applied regulation in the name of merit at the expense of efficiency and effectiveness;
3. arising from (1), managers and supervisors who are poorly equipped to manage, no requirement that they undergo even minimally essential training, and low priority accorded to training; and
4. no accountability for effective personnel management.[83]

The committee made 179 recommendations compared to 165 made by the Lambert Commission. The major elements of the committee's extensive list of recommendations are : (*a*) the essence of effective management is the commitment of management, starting at the top, and a clear line of accountability from the junior management level through to the top level; (*b*) while the merit principle remains the cornerstone of staffing, the system itself has brought the principle into disrepute; therefore, certain supplementary principles should be enshrined in law, such as sensitivity and responsiveness,

should have a vice-president as well as a secretary for personnel management. Consequently, the role of the public service commission would be restricted to mostly audit and appeal functions; and (*d*) public servants should be given greater freedom to participate actively in the political process with the exception of the senior management group

It is clear that the D'Avignon Committee fully shared the basic belief of the Lambert Commission that the managerial wisdom of the private sector would solve any public sector problem.

RESPONSIBILITY AND ACCOUNTABILITY

A minister's first and basic responsibility is to his constituency and getting re-elected; thus he has a distinct obligation to serve the public. However, some public servants do not feel obliged or morally committed to serve the public beyond the call of their negotiated duty While in the past, loyalty and dedication motivated the public servants to excel in serving the community, securing an all-time better and bigger compensation for the same work has become a norm nowadays In such a work-environment, one can hope to achieve only budgetary accountability (based on 'bottom-line' accounting method) rather than personal dedication and programme accountability One of the greatest challenges to today's public service is how to rededicate itself to serve the community.

Why is it that such a state of work environment has appeared? Is it that some public servants are losing their sense of purpose? Why is it that some of them have difficulty in strengthening or maintaining their sense of loyalty and dedication? Why is it hard for them to appreciate the objectives and goals they are expected to uphold and pursue? Is it because the public service, which acts as a barometer of societal norms and pressures, now reflects a malaise that affects the community in general? Edgar Gallant, chairman of the public service commission of Canada, observed on this growing malaise:

> Many Canadians are nervous, irritable and overtly critical; many have lost their sense of national purpose and are tending to look at their individual interests to a degree that is not healthy for them or for the country This general mood leads to exaggerations on all sides and the resulting climate of suspicion in turn breeds doubt and mistrust . . . Perhaps it is not surprising, therefore, that some public servants, like Canadians, generally, are reacting by using the means available to them, by using the system (its laws, its regulations and its conventions) to protect and promote their own self-interests [34]

These attitudinal changes were not expected by the Glassco Commission

[34] Edgar Gallant, "A Perspective of the Public Service of Canada", an address to the Ottawa Chapter of the International Personnel Management Association, Ottawa, November 17, 1976, p 3

when it recommended a wholesale change in controls, authority and responsibility, and unfortunately, these are not examined by the Lambert Commission

Such responsibility with the delegation of substantial authority to manage programme and resources, it seems, has not resulted in management accountability. Comments made in the House of Commons, the establishment of the Lambert Commission and the appointment of a special committee to examine all matters pertaining to the Public Service Employment Act are the evidences of concern over the elusive nature of accountability in the public service. Political accountability is not easy to pin down mainly because our parliamentary process of scrutinising administrative action has become largely ineffective Also, to what extent do the ministers continue to be saddled with the fiction that they are collectively and individually accountable for anything and everything happening (or even not happening) in their departments? Moreover, unlike the private sector where the bottom-line accountability is specifically output-oriented (based on profit or loss) the public service cannot operate on that concept alone This is why too much emphasis on audit and accounting in the public service is never going to bring back the old environment of commitment, obligation and sense of service Both, the manner in which results are obtained and the results themselves, are essential in the public sector

There are various kinds of accountabilities one could consider for public servants Some of these are political, managerial (or administrative), and personal accountability Political accountability, simply stated, relates to elected politicians who are cabinet ministers and are accountable for their actions, jointly or individually, to parliament and the electorate Management accountability, as pointed out by G F Osbaldeston, former secretary of the Treasury Board, consists of three kinds [35] The first of such type relates to accountability for regularity where proper behaviour in the administration of resources is assessed, and where no departure from established rules and standards is tolerated This accountability is enforced by the two central agencies, the public service commission and the Treasury Board secretariat The second kind of accountability applies to the exercise of judgment relating to programme management and objective achievement This is clearly embedded in the line management where each programme manager, and from him to the very top—the minister, is responsible for the decision taken This accountability is one of the two difficult kinds which is posing a great challenge to accountability experts/consultants It is at this level—senior management—that the most critical managerial decisions are taken (or neglected). And it is at this level that the resources—financial, human and material—are committed. No amount of procedural rectitude or 'regularity' accountability imposed by the Treasury Board or the public service commission could

[35] G F Osbaldeston, Secretary of the Treasury Board, speech to the International Personnel Management Association, November 19, 1976, p 17

achieve programme and personal accountability if there is some problem at the programme management and implementation level. Finally, there is the output oriented accountability, a concept easier to apply in the business world than in the government sector.

Personal accountability relates to the ethical conduct of public servants.[36] Ethical problems among public employees range from the apparently very small and insignificant infractions to those having serious bearing upon the nature and the very survival of the government. There are three kinds of unethical conduct : (a) those activities which are contrary to the legal norms of the country and therefore punishable under the law; (b) those which are contrary to the basic principles of morality/ethics held (though not necessarily practised) by that society, and (c) those which are undertaken because of the latent, manifest or perceived pressures felt by a person under the obligations of loyalty, ties of kinship affection, politics, religion, or sheer need of money.[37] At the same time, one should realise that everywhere, to a greater or lesser degree, public employees are put under strain by the pressures exerted by politicians, influential citizens, and friends and relatives who seek special and speedy favours. Such conditions may force some government employees to buckle under the pressure or because of temptation and act in a manner which is contrary to established laws and regulations. There may be circumstances where programme managers and employees may be asked by their superiors (both politicians and appointed officials) to perform certain acts but are careful to place the responsibility at their doorsteps. Rules of conduct, however elaborate, cannot create honesty nor can they prevent deliberate dishonest or unethical behaviour.[38] Rather, these provide a substitute for taking the right course of action whenever an employee finds difficulty in sorting out personal ethical dilemma. A good helping tool to increase personal accountability in the public service will be to make him a partner in the programme management by delegating some responsibility and by forcing him to accept obligations which go along with such delegation. This will increase his sense of participation in the programme. He has achieved relatively good job security and compensation But he/she lacks motivation and opportunity to do interesting things and being appreciated.

The Lambert Commission has charged the permanent heads with being *personally* accountable to parliament for their assigned and delegated responsibilities. Their work would be monitored and reviewed by the board of

[36]W.D.K. Kernaghan, *Ethical Conduct: Guidelines for Government Employees*, Toronto, 1974. and O.P. Dwivedi, "A Code of Conduct for Civil Servants", *Dalhousie Review*, 1964-65, pp 452-58.

[37]O.P. Dwivedi, *Public Service Ethics*, Brussels, International Institute of Administrative Sciences, 1978, p. 3.

[38]U K , *Report of the Committee on Conduct in Local Government* (Lord Redcliffe-Maud Committee), Vol. I, London, 1974, p 6.

management, and they in turn would monitor and review the managerial performance of their subordinates But this could result in a plethora of managerial performance evaluations and programme evaluations. Obviously the permanent heads would be under severe scrutiny, as they would have to satisfy three masters: their ministers, board of management (and other central agencies which have delegated authority to implement their programmes), and parliament Being accountable to three entities may just as well become being answerable to none! What would happen if the permanent head disagreed with his minister over the policy option or the particular course of action being proposed? Would parliament act as mediator? Would it not be easier for the opposition MPs to exploit such disagreements in order to obtain publicity and to score political points against the government of the day?[30]

AN OVERVIEW

After examining the two reports on government management and accountability in Canada, the following issues emerge which need our careful attention.

Moulding the Public Sector in the Image of the Private Sector

It must be made absolutely clear to those who seek further reforms of government management that the dream of making the public sector behave in the mould of the private industry is impracticable. Not all government departments can act as if they were divisions of a large corporation, or their survival would largely depend upon their ability to create 'profit'. Time and again, the recommendations of various commissions of inquiry have failed to create a business-like environment in the public sector. It would be desirable, for a change, to appoint experts drawn preferably from other levels of government, including from foreign nations, having similar systems of government, for further review A businessman, by nature, is suspicious of governmental machinery, hence, his approach is always going to be biased. Government is not a conglomerate; any other assumption would lead to confusion.

institutional patterns of authority, and partially because that decentralised authority was not supplemented by a clear-cut line of accountability. The Lambert Commission's emphasis on making the permanent head accountable for all departmental actions would not work. Effectiveness and final outcome of any public programme does not solely depend upon how capable a departmental head is. It also depends upon the prevailing administrative ethos, including a regime of public service standards, sense of dedication and feeling of recognition for work performance, commitment and positive participation of public service unions/associations towards the realisation of programme objectives, and the feeling among employees that incompetence will not be tolerated. What is needed is a clearly understood circle of accountability which flows from being accountable to 'self'—inner consciousness to protect public interest fairly, to being responsive and responsible to senior officers and cabinet ministers, and finally to parliament. It must be realised that one may extract 'paper' accountability, but a true accountability will emerge only when there is a trust of public servants, and the belief that they would be accomplishing their tasks responsibly. Excessive control exercised by central agencies is but anti-thesis to that trust.

Increased Role of Parliament in Accountability Chain

Parliament, but most specifically, the lower house, should have a significant voice in guarding the supremacy of public will by extracting accountability both from the political party in power and the bureaucracy. The greatest challenge to a legislative body is how to assert its authority, and how to respond to this genuine challenge: if it keeps on abdicating its power to political manipulations by party loyalties, its capacity to govern and to perform its legitimate function to check the executive (including public service) will remain weak. The Lambert Commission has suggested a new role for parliamentary committees whereby senior departmental officers could be questioned on the management of their programmes. Only by asserting its rightful place in the chain of accountability, can parliament hope to contribute meaningfully in the governing process of the nation.

In conclusion, accountability, as a viable instrument of control, can be operative to the extent that: (1) public servants understand and acknowledge their assigned responsibility for the results expected of them; (2) public servants have authority commensurate with their responsibility, (3) acceptable measures of performance evaluation are utilised; (4) results of such evaluations are communicated both to the seniors and to the person concerned, and (5) appropriate, equitable and timely measures are enforced in response to results achieved and the manner in which they are achieved.

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Rural Development in Bangladesh: Policies, Plans and Programmes

Mohammad Mohabbat Khan
Habib Mohammad Zafarullah

BANGLADESH, ONE of the poorest countries of the world with a low per capita income of about $ 90, is faced with the dread of an enormous and rapidly increasing[1] population that is nearing the 100 million mark. This deltaic plain with a little above 143,998 sq km. of rich alluvial soil is one of the most densely populated regions of the world[2] The economy is basically agrarian with 90 per cent of its population living in the countryside and to a large degree directly or indirectly dependent on agriculture[3] But productivity in this sector still remains low. Half of the rural pupulation is landless or near-landless and their number is rapidly on the increase;[4] peasants' control over land is unequal, income distribution is inequitable, a large sector of village folks is illiterate, ill-fed, ill-housed and either unemployed or underemployed

The emergence of Bangladesh in 1971 changed the entire focus of social, political and economic objectives of the nation The programmes and policies of the Awami League regime (1972-75) were designed to achieve a socialist economic system within a democratic framework The First Five Year Plan (FFYP) (1973-78) aimed, among other things, at reducing poverty and achieving social justice with an annual growth of gross domestic product (GDP) at 5 5 per cent The planned targets, however, could not be fully achieved and employment and investment growth largely remained unrealised due to "short-fall in domestic and external resources, inadequate institutional support, lack of skilled manpower inflation and recession"[5]

The Two Year Approach Plan (TYP) launched in 1978 reflected in general

[1]The rate of population growth is 3 per cent per annum At this rate of increase it is presumed that the population would double in about twenty five years

[2]590 per square kilometre

[3]The agriculture sector contributes about 53 per cent to the GDP

[4]B K Jahangir, *Differentiation, Polarisation and Confrontation in Rural Bangladesh*, Dacca, Centre for Social Studies, 1979, p 35

[5]Planning Commission, Government of the People's Republic of Bangladesh, *the Second Five Year Plan*, 1980-85 (Draft), May 1980, Ch. I, p 2

the socio-economic objectives of President Ziaur Rahman's '19-point programme'.[6] The TYP set out to achieve a higher rate of growth of the economy over what was achieved during the FFYP period and to develop the rural economy with special emphasis on increasing productivity as well as employment opportunities to arrest deteriorating poverty conditions, improve income distribution and thereby promote social justice.[7] One of the strategies of the TYP was the effective utilisation of local resources and mass mobilisation through institutional arrangements and revitalisation of the local bodies 'with wider power and responsibilities. However, like the FFYP, the TYP too could not attain its targets towards rural development.[8]

The Second Five Year Plan (SFYP) launched in July, 1980, concentrates on comprehensive rural development and its objectives "have been formulated in the context of overwhelming problems of poverty, unemployment, illiteracy and malnutrition of the mass, mostly living in the rural areas".[9] The SFYP aims at accelerating growth to enable the country to pursue a course of self-reliance. One of the strategies of this rural bias in development would be to ensure mass participation in nation-building activities through village-level 'democratic' institutions transcending "not only the political life, but also the power structure in villages".[10] The Plan suggests that the role of the government would be one of "moral leadership, guidance and acquiscence".

This paper attempts to briefly examine the rural sector in the development activities of the government in Bangladesh in the years ahead with particular emphasis on one of the significant institutions recently created to improve rural living in the country. It analyses the likely implications of this institution in the rural politico-administrative structure.

SELF-RELIANT VILLAGE GOVERNMENT

In the coming decades the major focus of the government in Bangladesh would be on the rural development sector of the economy encompassing production activities in the fields of agriculture, irrigation, small and cottage industries, social welfare services and infrastructural and institutional developments. Obviously, the involvement of the government in terms of strategies, policies, institutional framework and functions would be massive. Specifically, the SFYP aims at : (*i*) increasing productivity and income of the rural people and at the same time ensuring proper distribution of benefits to all; (*ii*) reducing unemployment and underemployment; (*iii*) building and

[6]The 19-point programme announced by President Ziaur Rahman aims at overall socio-economic development of the country.

[7]Planning Commission, Government of the People's Republic of Bangladesh, *The Two Year Plan*, 1978-80 (Draft), March 1978, p. 29.

[8]See, *The Second Five Year Plan*, Ch. I, p. 6.

[9]*Ibid*, Ch. II, p 1.

[10]*Ibid.*, Ch. II, p. 5.

maintaining physical infrastructural facilities; (*iv*) building up an effective village-level organisation with a view to undertaking comprehensive village development planning, and (*v*) decentralising the administrative and development process through the institutions of local self-government at various tiers and expanding the scope of people's participation in planning, plan implementation, decision making, evaluation and control over projects and services [11] To achieve these goals of rural development during the SFYP period the government, motivated by the 'positive' experiences of several experimental programmes and projects to combat problems of enormous dimensions of rural Bangladesh, formally declared to establish self-governing institutions at the grassroots level known as *swanirvar gram sarkar* (SGS) or self-reliant village government. This micro-governmental system is actually an amalgamation of two experiments—the *swanirvar andolan* (movement for self-reliance and *gram sarkar,* which were attempted at non-governmental levels and initially without government support. The *swanirvar andolan* aimed at achieving a breakthrough in agricultural production together with reducing population growth On the other hand, *gram sarkar,* emanating from this movement for self-reliance, was an administrative arrangement to organise better mobilisation of development efforts and fuller utilisation of existing indigenous resources.[12] Thus *gram sarkar* was an instrument of the *swanirvar* movement

Two SGSs have so far been ceremoniously launched, one at Jirabo in Dacca and the other at Shaikhati in Jessore The President, who inaugurated the first SGS, declared that within a year every village in the country would have an SGS. The Ministry of Local Government, Rural Development and Cooperatives (LGRD&C), the controlling authority of the SGS, has already issued rules for their constitution and administration According to these rules, members of the SGS are to be chosen through consensus of *gram shava* (village assembly) composed of all adult members of the village Each SGS would have one *gram pradhan* (village chief) and eleven members including two women [13] The SGS has been assigned with the responsibility of doubling food production, eradicating illiteracy, reducing population growth, invigorating rural cooperatives and maintaining law and order within the village [14] The government formed a ten-member organising committee at every thana with the circle officer as its chairman and the thana cooperative officer as member-secretary for organising SGS in every village under its jurisdiction Other members

[11] *The Second Five Year Plan, op cit*, Ch. XII, p. 96

[12] Mohammad Mohabbat Khan and Habib Mohammad Zafarullah, "Innovations in Village Government in Bangladesh", *CENTAS Working Paper,* March 1980

[13] "The Swanirvar Gram Sarkar (Constitution and Administration) Rules, 1980", *The Bangladesh Gazette Extraordinary,* May 24, 1980, p 1186

[14] *Ibid.*, p 1190.

of this committee are the chairmen of the concerned union parishad, thana agricultural officer, thana education officer, convener of thana youth cooperative complex, thana village defence officer and a representative of the national women's association [15]

It is expected that SGS would provide greater opportunities for rural people to mobilise local resources and to participate in the planning, distribution and implementation of local plans and projects For the SGS to be an effective institution for development, support of the governmental functionaries at the lower tiers of the hierarchy is essential. During the SFYP period the government proposes to adopt several measures[16] to bring about and maintain linkages between representatives of the people at the grassroots level and the public servants working with them.

In each village primary cooperatives consisting of such functional groups as the landless, small farmers, fishermen, weavers, youth and women would be formed These primary cooperatives would be federated at the village level under the village cooperatives association (VCA). These VCAs would be responsible for coordinating production and land-use plans, supplies and services. The VCA would be federated to the thana union of cooperatives (TUC) at the thana level The integrated rural development programme's (IRDP) two-tier cooperatives would be changed to a three-tier system to extend IRDP's activities to the villages.

Rural works programmes (RWP) usually undertake such activities as building of roads, bridges, culverts, irrigation and drainage channels, embankments, sluice gates, etc. Thana irrigation programme (TIP), a component of the RWP, would bear the responsibility of training model farmers, managers and members of the irrigation groups, drivers and mechanics of pumps and tubewells as well as physical facilities like workshops and godowns. During the SFYP period, the RWP would provide rural employment as new programmes are developed and old ones enlarged. These would provide the necessary human resources support to the SGS.

The government has realised the crucial role of institutionalised training in the rural sector for the development of skills and expertise of the elective leaders as well as public servants. Under SFYP several far-reaching policy decisions have been taken to bring about desired changes. Operational training for members of the SGS has been developed in two phases. In the first phase, circle officers, cooperative officers and thana-level youth organisers are to be trained Next, these trained persons would impart training to the members of the SGS in their own areas. The thana training and development centre (TTDC) would also provide the necessary training support to the SGS In addition, physical and instructional facilities of several existing

[15] *The Bangladesh Times*, May 22, 1980.
[16] *The Second Five Year Plan*, Ch XII, p. 95-107(b).

training institutes would be developed during the plan period[17] Besides, four local government institutes (LGI) would be established in the four divisions of the country These would be in addition to the present LGI at Dacca which has been training local government officials and elected members for over a decade

The creation of two high-powered bodies at the national level has been recommended by the national planners. The national council for local government (NCLG), the highest body in local government administration, would be headed by the President as chairman. The minister for LGRD&C would be the member secretary and all other ministers would be its members. NCLG would decide policies, monitor and coordinate various activities relating to rural development and handle allocation of funds. The other body would be the executive committee of NCLG (ECNCLG) This committee would be chaired by the minister for LGRD&C and the ministers for planning, finance, agriculture and forests, fisheries and livestock, women's affairs, youth development, health, family planning and population control would be its members Membership to this committee may be offered to the chairmen of the *zila sarkars*[18] The ECNCLG would enforce policies and guidelines and review the works undertaken. It would be entrusted with regulatory, supervisory and monitoring authorities, and would have the power to recommend to the NCLG any matter pertaining to local administration, planning and development

GOVERNMENT INTERVENTION

The foregoing section provides a general idea as to the priorities and concerns of the Government of Bangladesh in the vital rural sector But the increasing governmental intervention and involvement in the day to day affairs of rural institutions have gone against the concepts of 'popular participation', 'decentralisation', 'self-reliance', 'bottom-up planning', etc This relentless governmental intervention can be noticed and its implications understood if one closely scrutinises the government's attempts at forming SGSs throughout the country High governmental functionaries including the President are most regularly extolling the virtues of this institution and reminding the unwary citizens that "it would allow them greater opportunities to participate in the running of the state at the grassroots level" Other 'benefits' would be its gradual development as a 'viable' political institution with the aid of the supportive/facilitative, administrative apparatus in rural areas

Right from its inception stage up to its working, the involvement of government officials in the affairs of SGS is noticeable The recently formed ten-member organising committee, composed overwhelmingly of thana

[17]These are cooperative college at Comilla, rural development training institute at Sylhet, and TTDCs at every thana in the country.

[18]These have not yet been constituted

level officers of various nation-building departments, has been endowed with the task of organising SGS in every village. Interestingly the members of the SGS are not elected by *gram shava* but are chosen through its 'consensus'. In this process, members of organising committees can easily tilt the balance in favour of candidates of their choice. The pious and avowed assertions of the leadership to keep politics away from SGS belies the truth. It appears that the ruling Bangladesh Nationalist Party's (BNP) members of parliament are taking immense interest in the SGSs and there is very little doubt as to the political inclination of their (SGSs) members. And if the government implements the recommendations of the SFYP and constitutes the NCPG and ECNCLG, then very little real power would remain in the hands of the local people. This would kill local initiative in plan formulation and implementation. The President, armed with powers of policy formulation, allocation of funds and coordination of rural activities would, it is feared, establish a long chain of command comprising members of his cabinet, members of his party in parliament, districts, sub-divisions and thanas and civil servants of varying ranks to control the activities in the rural areas. The first step in this direction has already been taken with the appointment of district development coordinators (DDC).

The DDCs, who are all members of parliament belonging to the ruling party, have been accorded the status of deputy ministers Each has been assigned the district from which he was elected to the parliament. The DDCs are to work under the direct guidance of the President and "will perform such duties as are assigned to them from time to time". The introduction of the DDC scheme would obviously encourage the extension of national administrative and political networks down to the villages thereby stifling local initiative and participation and independent thinking. So it can be inferred that the DDC scheme and SGS cannot go together and in course of time the latter would become mere appendages to the ruling party in the rural areas and be transformed as local organs of presidential power.

SUMMING UP

The policies and programmes of the government in Bangladesh in the rural development sector clearly indicate that in the coming decades, without the existing politico-socio-economic system being drastically changed, what we might see is not people's participation in development but unwarranted ruling elitist/bureaucratic meddling The consequence would be the widening of the government-people hiatus.

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Government in Action : Philippine Problems and Prospects[1]

Mario D. Zamora

THIS BRIEF paper will deal with some of the fundamental issues and problems faced by the Republic of the Philippines since 1946, the year the United States relinquished its sovereignty to Filipinos. Before expanding on these issues, it is useful to present an abbreviated historical perspective of the country [2]

PHILIPPINE PERSPECTIVE

The Philippines is a dynamic nation of more than 40 million people, inhabiting 115,600 square miles of territory in Southeast Asia. The peoples of the Philippines speak three official languages (English, Spanish, and Pilipino) and more than 70 other languages and dialects Majority of the Filipinos profess the Catholic faith The country is predominantly agricultural, producing rice, tobacoo, sugar, and abaca (Manila hemp) as its main crops

Recent archaeological excavations reveal the Filipinos had an ancient culture, dating back to about 3,000 years ago [3] The aborigines of the land were called the *Aetas* (Negritos) Migrants from Indonesia, Malaysia, and later from China, India, Spain, and the United States reinforced the indigenous population. Ferdinand Magellan 'discovered' the islands for Spain

[1]A talk before the Philippine-American community convocation in honour of the graduates of 1980 sponsored by the *Filipino Atlantic News*, June 28, 1980, Omni International Hotel, Norfolk, Virginia, USA. A number of major points in this paper were presented on various occasions in the states of Montana and Virginia The author is grateful to President Stanley Heywood of Eastern Montana College and his faculty for the opportunity to be a visiting professor.

[2]This historical perspective part of the paper is extracted almost verbatim from Mario D Zamora and Susan Haulenbeek, "Three American Colonial Pioneers in Anthropology: Context and Critique," *Folk*, Copenhagen, Denmark, 1977-1978, p 202

[3]For a more extensive discussion on this subject, see the works of anthropologists Robert Fox, Alfredo Evangelista, and H Otley Beyer. Consult Mario D Zamora (ed.), *Studies in Philippine Anthropology*, Alemar-Phoenix Publishing House, 1967, Quezon City, Philippines.

in 1521; the Spanish *conquistadores* (conquerors), who introduced Catholicism, dominated the archipelago for more than 300 years. Spain surrendered the colony to the US in the 1898 Treaty of Paris. From that year to 1946, the Philippine islands were US possessions whose rule was temporarily interrupted by the Japanese occupation of the country from 1941 to 1945. From 1946 to 1972, the Philippines was a free-wheeling democracy, patterned essentially after the US. In 1972, the Philippine President Ferdinand E. Marcos declared martial law.

PHILIPPINE PROBLEMS AND PROSPECTS

Like many countries of the third world, the Philippines has been confronted with many serious and basic problems, which, if not attended to in the coming decades, might lead to a bleak future for the nation. The seven issues include: (1) ideology; (2) prosperity; (3) integrity; (4) unity; (5) security; (6) sovereignty; and (7) dignity.

Ideology

Ideology refers to a central theme and philosophy of government and administration based on the nation's purpose and socio-cultural traditions and values. Ideology serves as a galvanising force that summons the best in a people and harnesses for good all the human, natural, and spiritual wealth of the nation for its well-being and happiness. Before the Philippine President Marcos declared martial law in 1972, this issue of ideology was widely debated by some Filipino leaders. Among the questions raised were: Will the Philippines continue to be a democratic country with its attendant excesses and responsibility after many years of experience and experiment? Will the country turn to communism fashioned after Mao's grand revolution or the Soviet Union's ambitious ideological persuasion as an alternative to the Philippine version of the democratic tradition? Will it be a welfare state like some countries of Scandinavia or a Christian social democratic nation in the fine traditions of some countries of Europe? Is there a happy medium between the excesses of democracy and the disciplinal reflexes of totalitarianism? The Philippine President, after eight years in elective office, answered the questions by declaring martial law. He strongly felt that this experiment in 'American democracy' must go in favour of what he calls 'constitutional authoritarianism.' Marcos' fundamental goals of this new society include: to enhance prosperity, foster integrity in the bureaucracy, promote national unity and security among Filipinos, protect and project the country's sovereignty and glorify and dignify the human community All these objectives are inextricably linked with the crucial issue of a national ideology best suited to the genius, aspirations, and idiosyncrasies of the Philippine people.

Since its independence from the US in 1946, the Philippines has immensely enjoyed the blessings of a free and independent press. Some foreign

correspondents consider the Philippine press the most democratic in the world. Filipinos firmly and courageously fought against the autocratic colonial Spanish regime for more than 300 years, the American 'benevolent' occupation for fifty years, and the Japanese oppression for five years in order to win a free and untrammelled press under 'a regime of justice, liberty, and democracy' as enshrined in the nation's Constitution. In September 1972, President Marcos stopped the operation of all the major national daily and weekly papers, TV and radio stations. He took this step, according to him, in the name of imposing national discipline and fighting what he claims to be 'subversion' and communism President Marcos took a drastic and bold decision to abandon a Philippine style democracy in favour of an authoritarian regime. He imprisoned not only suspected dissidents and smugglers but also some opposition leaders from various sectors of Philippine society, including his bitter critics from the press and from the government because, in his view, these critics have helped considerably in undermining the confidence of the Filipino people in his government [4]

Before the Marcos martial law declaration, different schools of thought were proposed to solve urgent national problems. The former Philippine President Diosdado P Macapagal argued for a welfare state where the abundant resources of the nation could be equitably and fairly shared by all levels of Filipino society Macapagal's genuine concern for the poor and the down trodden is traceable to his humble beginnings He was the son of an impoverished sharecropper, he worked his way through law school and, later, helped by the philanthropist Honorio Ventura, succeeded in obtaining higher education. President Macapagal studied the welfare state system in Europe in his several trips to the continent Former Senator Raul S Manglapus. currently the head of the movement for a free Philippines in the US, and formerly Under-secretary of Foreign Affairs under the late President

[4]For a definitive source on President Ferdinand E Marcos' rationale and philosophy of martial law and the new society, see Ferdinand E. Marcos, *The Democratic Revolution in the Philippines*, Prentice-Hall International, Englewood Cliffs, New Jersey, 1974 pp 265. For a scholarly assessment of martial law in the Philippines, see David Rosenburg, *Marcos and Martial Law in the Philippines*, Cornell University Press, 1978 Robert Lawless and Mario D Zamora have organised a volume of essays (forthcoming) by eminent scholars, assessing martial law from many perspectives For a balanced view of martial law, one should read the statements of opposition leaders such as Diosdado Macapagal who published a book on democracy in the Philippines, Raul Manglapus, Benigno Aquino (who has been in jail for seven years), Jovito Salonga, Gerardo Roxas, Eva Estrada Kalaw, Jose Diokno, Francisco Rodrigo, Lorenzo M Tanada, and many others. For a good defence of martial law, see the statements of Onofre D. Corpuz, and the technocratic cabinet members of President Marcos . Carlos P Romulo (Foreign Affairs), Gerardo Sicat (Planning), Cesar Virata (Finance), Arturo Tanco (Agriculture), Jose Aspiras (Tourism), among others

! President Marcos released many of the political prisoners Former Senator Benigno Aquino, Jr., believed to be the most popular opposition leader and presidential prospect is still in jail Marcos allowed him to undergo medical treatment in the USA in May 1980.

Ramon Magsaysay espoused the cause of Christian social democracy. According to Manglapus, peasants, labourers, students, and the intellectuals of the nation should band together like a mighty army to foster a Christian social democracy where the poor will have a fair opportunity to prosper in a society dominated by the elites or the *ilustrados* in the community. Other professional and student groups stood for a revolutionary national social democracy. These radical elements wanted to wipe out feudalism, fascism, and imperialism in the Philippines They derived their models from Mao's China or the Soviet Union. The masses, they contended, should rule the land. Cruel exploitation of the poor masses by profit-motivated bureaucrat capitalists, heartless landlords and vast alien monopolies should be terminated. The coming decades will determine whether President Marcos is correct in imposing his controversial and precedent-setting solution to the ideological crisis in the country. This dramatic crisis of ideology can be better understood in the context of the related basic issues and problems that have plagued the Philippines since 1521, especially since 1946.

Prosperity

Political freedom does not necessarily coincide with economic liberty. It is a well-known fact that the Philippines, despite its vast and varied natural resources, is still a poor and technologically developing society. As two American authors noted :[5]

> The Philippine people have learned to their sorrow and frustration that economic independence does not go hand in hand with political freedom ... the new nation was still burdened with a colonial type economy. This meant a predominantly agricultural economy. Farming employed more than 60 per cent of the work force, and earned more than a third of the national income. Industry still employed only 12 per cent of the work force and accounted for less than a sixth of the national income.
>
> With agriculture as its major economic institution, the nation could not feed itself, even on a low level of subsistence. It habitually imported something like a quarter of its food needs each year ... This was not the kind of economic system associated with independence nor one the new nation proposed to tolerate indefinitely ...

Decrying limited trade, the two authors wrote :

> In their precolonial centuries, the islanders had carried on a lively trade with China, Borneo, the empires of Java and Sumatra, and even India. Suddenly these old ties were cut. Almost everything the colony could

[5]Delia and Ferdinand Kuhn, *The Philippines Yesterday and Today*, Holt, Rinehart, and Winston, Inc, New York, 1966. pp. 143-144.

produce flowed in the opposite direction, first to Spain and then in growing volume to the United States[6]

The Philippines has mobilised with some success the different departments of government, particularly those of tourism, agriculture, land authority, commerce and industry, finance, community development, education, among others, to help increase production A combination of natural and human forces, however, has time and again upset the development timetable and ambitious plans for the Republic, forces related to integrity and other issues

Integrity

Since 1946, integrity in the Philippine bureaucracy has always been a controversial issue. Every administration, from the late President Roxas to President Marcos, has always been accused of alleged graft and corruption and other serious sins of omission or commission by political enemies, casting aspersion on the integrity of national leadership From the early post-war charges of Chinese immigration quota and surplus scandals to current allegations of enrichment in public office by the leaders' political enemies, these foul air of charges and counter-charges tend to undermine the confidence of the Filipino people in the bureaucracy Through the years, integrity boards and investigating committees have been quickly formed and conveniently forgotten[7] It seems integrity in national administration remains persistently an issue in public life. The political combatants in the coming decades will continue to stress this issue of integrity in personal life and in public administration

Unity

The problem of national unity is a serious and complex one in the Philippines, despite governmental efforts to create an ambitious Commission on National Integration or the Office of the Presidential Assistant on National Minorities (PANAMIN) to ensure the socio-economic and political welfare of all the ethnic minorities of the country, including the Muslims of the southern Philippines, the Igorots of northern Luzon, and the many other cultural communities inhabiting the different islands of the archipelago The Philippines has yet to evolve an effective mechanism to do justice to ethnic minorities in the country.

The other fundamental issue with respect to national unity is the development of the country's national language[8] At present, there are three

[6]Delia and Ferdinand Kuhn, *op cit.*

[7]Philippine papers carried stories of scandals under Presidents Elpidio Quirino, Carlos P Garcia, and Diosdado Macapagal President Marcos and his administration have not been spared from opposition accusations

official languages: English, Pilipino, and Spanish. Other ethnic groups prefer a compromise on the development of a national language that reflects the views, wishes, and sentiments of the whole nation. The language question is not as serious as it is in India, Sri Lanka, or Canada. The coming decades will witness the acceleration and escalation of the unity issue in Philippine life, especially among the Muslims of Mindanao, Sulu, and Palawan.

Security

President Marcos, in his press releases, claimed to have confiscated hundreds of loose firearms from lawless elements, from political goons and warlords, and from crime syndicates. He has waged a total war against the New Peoples' Army (a dissident force believed to be supported by communists) and radical leftist groups trying to subvert his duly constituted government. To Marcos, the peace and order condition in the countrysides as well as in the cities is of paramount importance in his socio-economic and political platform. So far, the Philippines is stable, except for the unrest in Muslim Mindanao by elements led by Nur Misuari and other rebel leaders In the coming years Philippine security will rest squarely on Marcos' serious and sustained effort to solve the Muslim problem on the basis of justice tempered with mercy.[9]

Sovereignty

The Philippines has ventured to firmly protect its sovereignty as a self-respecting and independent country. On the local scene, the government, within its limited resources, has carried out a programme of promoting Filipino interests against powerful alien lobbies The regime of the late President Garcia, with slogans like 'Asia for the Asians' and 'The Philippines for the Filipinos' is the best example of Filipino leaders' effort to promote and protect the nation's integrity and sovereignty. President Marcos' measure to defend Filipino interests in the renegotiation of the American bases in the Philippines is another index of national defence of Philippine sovereignty.

On the international sphere, the Philippines has committed itself to the ideals and principles of the United Nations and is aligned with the US in the area of ideology and defence Lately, there seems to be a strong clamour for a total re-examination of the Philippine foreign policies to make them more realistic and relevant to the changing power equation in the international order While fighting subversion from within, President Marcos

[8]For the controversies on national language, see the statements of Jose Panganiban, Leopoldo Y. Yabes, Ernesto Constantino, among others.

[9]For authoritative sources on the Philippine Muslims, see the works of Cesar Adib Majul, Mamitua Saber, Mauyag Tamano, Mamintal Tamano, Peter Gowing, among others

is making successful efforts to open economic and political relations with the communist world, including Romania, Soviet Union, and Red China. A Philippine-Russian Society has been organised on the initiative of Mrs Marcos. The irritants to US-Philippines relations which have plagued both countries for years (*e.g.*, the parity issue, jurisdiction issue, etc.) are being critically re-examined in the light of Philippine nationalism and national interest.[10]

The coming decades—depending on the success or failure of the martial law regime—will see the continuing assertion of Philippine sovereignty and the flowering of Philippine nationalism, especially in the political, economic, and cultural arenas.

Dignity

Since 1521, the Filipinos have fought for the dignity of the human being. The nations's articulate and dynamic representatives in the United Nations, such as General Romulo (the former President of the United Nations General Assembly and the first Asian to be elected to that exalted post) and the former University of the Philippines President Lopez (former ambassador to the United Nations and President of the U.N. Commission on Human Rights) have espoused the cause of human rights for all subject peoples. Within the nation, social injustices are being corrected and redressed through land reform, an incorruptible civil service, and other ingenious and creative ways and means in the grand design to dignify the Filipino The Philippine presidential oath 'to do justice to every man' is not merely a verbal phrase with empty meanings.[11] It was given substance and direction particularly under the late popular President Magsaysay and the former President Macapagal, both acclaimed champions of the common man. Marcos, in his own way, is trying to improve the lot of the masses through martial law. Only time will decide the precarious fate and uncertain fortunes of this young republic on the move. But there is one enduring thread that tenaciously binds Filipino leaders together: they all dream of building a great and prosperous nation of lasting peace and freedom. The coming decades will determine the fate of the Filipino leaders' hopes and dreams.

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[10]For authoritative statements on Philippine-American relations, see the works of Frank Golay, Salvador P Lopez, Onofre D Corpuz, Carlos P Romulo, Emmanuel Pelaez, and of course President Marcos

[11]The issue of human dignity in the Philippines under martial law is moot President Marcos feels that he is doing his very best to promote the dignity and identity of the Filipinos Opposition leaders such as Jose W. Diokno, Benigno Aquino, Jovito Salonga, among others feel otherwise.

The African Public Services : Challenges and Prospects

Walter Ouma Oyugi

IT IS over two decades now since the first African country (south of the Sahara) attained its 'flag independence'. By mid-sixties, most of them had followed suit. There has, therefore, been sufficient historical experience against which the performance and challenges of the public services of these countries can be assessed and the prospects for the future adduced.

Indeed, this is not the first time for such an assessment to be attempted. The area has already been pre-empted by the African administrators themselves, who, since 1962, have been holding annual seminars in different African capitals to discuss and examine common problems. These annual meetings were institutionalised in 1970 when at the Inter-African Public Administration Seminar held in Botswana in October 1970 a decision was reached to establish a professional association under the name of African Association of Public Administration and Management (AAPAM). And in 1973, the Association commissioned two academicians to make a selection of "representative papers and views expressed at the twelve Inter-African Public Administration Seminars from 1962-1973" and to get them edited and published A total of twenty five papers were selected covering five different themes as follows: the changing role of the African administrator; from Africanisation to professionalisation; reforming the structure of the public service; delegation to public enterprises; and improving the process of decision-making for development. To the best of my knowledge, the articles contained in this volume[1] and those presented at the subsequent AAPAM meetings[2] represent the best that has been so far written about the performance and problems of the African public services since independence.

In this article, I intend to explore further some of the issues discussed in the above and other publications and also to introduce some new debate about the challenges and prospects of the African public services in the

[1]Anthony Rweyemamu and Goran Hyden, *A Decade of Public Administration in Africa*, East African Literature Bureau, Nairobi, 1975.

[2]See, *e g.*, the proceedings of the Banjul (Gambia) meeting 1977 published by AAPAM, Addis Ababa, *Managing Rural Development in Africa*, Addis Ababa, 1978.

coming decades. The African public services are defined broadly to include the civil service, local government, and public enterprises. They are analysed historically and thematically starting with their colonial heritage, then post-independence problems, and the challenges and prospects for the future. The analysis is restricted to the experiences of the anglophone Africa

THE SETTING

What is important about the public services generally and in Africa in particular that should make them a subject of discussion in a paper such as this one? Since the Roman state, the crucial role played by appointed officials in the affairs of state (however defined) has never been seriously questioned [3] In the Roman state, the security and integrity of the empire depended not so much on the emperor as it was dependent on his appointed officials to whom he bestowed his executive authority Even under feudalism the princes could not operate without the assistance of appointed officials who administered the public services provided by them. The emergence in the 16th century of the absolute monarchies brought with it increased role for appointed officials. This period witnessed the centralisation of field services, development of money economy and the proliferation of functional departments in the monarchical state The latter development involved increased recruitment in the 'state' services Centralisation of power involved the appointment of field agents through whom the crown exercised its authority The French called them the intendants and later on (after Napoleonic revolution) the prefects. They were the equivalent of justices of the peace in England

At the turn of the 19th century the role of appointed officials began to assume a new dimension From now on, in many western countries, they would be seen as servants of state rather than of the monarch *per se* They, by and large, ceased to be instruments of the monarchy and instead became instruments of public order By mid-19th century, following the emergence of competitive political parties, they were being required to be loyal not only to the state but also to the government of the day. In many countries they were now being expected to be impartial and honest in the discharge of their official duties To achieve this a number of reforms had to be carried out especially in the second half of the 19th century

At the turn of this century we consequently witness the emergence of public services in the west that are free from familial and political privileges

[3]The discussion on the historical development draws from B Chapman, *The Profession of Government*, London, Unwin University Books, 1971 (first published 1959), Ernest Barker, *The Development of Public Services in Western Europe*, Archon Books, Hamden, Connecticut, 1966 (first published by Oxford University Press 1944), Reinhard Bendix "Bureaucracy" in *International Encyclopaedia of Social Sciences*, McMillan Co, and the Free Press, 1968, pp. 206-219.

Summing up the western experience Bendix writes:

> the common denominator of bureaucratisation* is that the earlier involvement of public employment with family prerogative and the identification of office with property have been superseded, and in the course of long and diverse developments, by the emergence of the nation state in which public officials administer, according to E. Baker (1944, p. 6) "service rendering organisation for the protection of rights and enforcement of duties" of a national citizenry.[4]

He continues:

> . . . the relative centralisation of the civil service and hence of the conception of administrators as employees in charge of public trust may be due ultimately to the growth of consensus concerning the idea of government as a service-rendering institution that should not be presented by any one of the individuals and groups contending in the political arena.[5]

The purpose of this historical account is to demonstrate, if only briefly and generally, the fact that it takes ages of trial and error for public bureaucracies to acquire characteristics that make them effective instruments in the service of the public. The history of western Europe demonstrates that the development of a public service is part and parcel of the wider societal development. The social setting, the ceconomic conditions, as well as the political trends, all combine to bear on such development.

In the developing countries today, there are pressing social, economic and political problems. The public servant has to relate to them all. The social structure that exists still provides for identification with ascriptive groups The tribe, the clan and the extended family are still strong referrent groups, especially in Africa. Accordingly the public official's loyalty is often called to question whenever he has to decide between the parochial and the public interest.

Lack of economic development in these societies also creates special problems for public officials. There are very few opportunities for gainful employment in the economy. The public sector is, therefore, expected to play a major role in alleviating the problem. The pressures that this bring with it, together with personal greed, parochial demands and obligations, tend to create conditions in the service where provision of services is not usually influenced by the criterion of need alone. The situation is aggravated by the increasingly unstable political conditions in most of these countries. The

*By which he means developments of characteristics approximating the ideal type as defined by M Weber.

[4]R Bendix, *op cit*, p 211.

[5]*Ibid.*

phenomena of military coups and the authoritarian nature of politics in Latin America, Asia and Africa are quite disturbing. Authoritarian government can demoralise both the public service and the people Frequent changes in such authoritarian governments can only create a sense of insecurity on the part of the public services.

In Africa today, the above conditions present themselves in different forms. The loyalties of the public officials is affected by primodial ties, personal greed, and political interference Consequently the standard of performance by the public services in Africa leaves a lot to be desired But we would be unfair to stop at that point without pointing out that much of what happens in the public service of any country is directly influenced by the nature of political leadership in that country If the political leaders are corrupt, the administrators will follow suit to ensure their survival in the system. The question then is, whether, in the present circumstances in Africa, we can expect to find public servants that are influenced in their behaviour only by the ideology of public interest. We shall return to these issues in the discussion that follows.

THE COLONIAL HERITAGE

The roots of what are now the problems facing the public services in Africa were established during the period of colonial rule The balkanisation of Africa in the late 19th century (after four centuries of claims and counter claims) resulted in the creation of new colonial states The nature of the colonial state, and the policies pursued therein, differed according to who the colonising power was. For territories colonised by the same power, however, the system of administration introduced was by and large similar What appeared to be the differences (as in the case of direct and indirect administration) were more apparent than real.

One major consequence of the balkanisation process was the creation of multi-ethnic colonial states out of what hitherto were independent, small, and in a few cases, large scale ethnic polities Once under one authority, patterns of interactions began to develop that were never there before Competition for services introduced by the colonial economy began to assume ethnic dimension. What is today popularly referred to as tribalism was thus born Leys submits that the foundations of modern tribalism were laid when the various tribal modes and relations of production began to be displaced by the capitalist one, giving rise to new forms of insecurity, obliging people to compete with each other on a national plane for work, land, and ultimately for education and other services seen as necessary for security [6]

Furthermore, colonial regimes played an important part in fostering tribalism by their policies of... discriminating in favour of some tribes and

[6] C.T. Leys, *Underdevelopment in Kenya*, Heinemann, 1975, pp. 199.

against others, especially in their own recruitment policies.[7] These strivings have survived colonialism in virtually all African countries. Ethnic consideration is, therefore, still a major factor influencing the behaviour of public officials in Africa today.

The structures created during the colonial rule have also persisted in the post-independence period, thereby affecting the behaviour of public officials. To begin with, the civil service inherited at independence in most cases was characterised by departmentalism (*i. e.*, excessive concern with departmental independence). Heads of departments in colonial Africa had a lot of autonomy with regard to policy decision-making in their respective fields. A machinery to coordinate the activities of the various agencies of the government at the centre was virtually non-existent, or where it existed at all, it was very loose indeed. Notwithstanding the integrative demands of development in the new order, the African successors of the Europeans insisted usually that the inherited structure be left undisturbed.

The civil service was also racial in structure until on the eve of independence. Although efforts were made from 1946 in west Africa and from 1954 and 1960 in East Africa and Central Africa, respectively, to remove the racial bias from the services[8] not much had been achieved in the respective regions before independence. The class structure of the services meant that the Europeans occupied all the administrative and professional positions. The other migrant communities notably the Asians in the case of East Africa filled most of the executive technical posts. The Africans were mainly found in the clerical and subordinate positions[9] The class structure of the service was also reflected in the provision of basic services. There were schools, hospitals, housing, etc., exclusively designated for the different races. The Africans who moved in to fill the privileged positions left by the departing whites saw no shame in arguing for the retention of those privileges. Commenting on the experience of Kenya one observer writes:

> the structure pre-disposed educated Africans. confined in subordinate roles prior to independence, to perceive themselves as a presumptive elite, as the rightful beneficiaries of the system of inequality.[10]

The emergence of the so-called political-bureaucratic elites in Africa is a logical development of that presumption.

One of the structures which has had a lingering effect in Africa is the

[7] C.T. Leys, *op. cit.*

[8] A L Adm, *The Civil Service in Commonwealth Africa*, George Allen and Unwin, 1969, pp. 21

[9] For more on these service classes, see A.L Adm, *op cit.*, Ch. IV

[10] John J Okumu, "The Socio-Political Setting" in G Hyden, Robert Jackson and John Okumu, *Development Administration The Kenyan Experience*, Nairobi, Oxford University Press, 1970, pp 37-38

political-administrative structure which the British, especially, introduced as the instrument for governing the individual colonial states. Popularly known as provincial administration in East Africa and regional administration elsewhere, the structure was made up of a fairly small corp of largely expatriate personnel. This branch of the service was charged with the responsibility of maintaining law and order in the provinces and districts The officers employed in the provincial administration were usually those with general degrees in social sciences and the humanities Others were ex-service men The British had used a similar structure and personnel in Asia before Their activities in Africa as in Asia were manifestly political.[11] The governor depended on it (the provincial administration) for the day-to-day governance in the field And as Dryden correctly observes in the case of Tanzania, it occupied a central position as the link between the central governing authority and the governed [12] For a variety of reasons, many African countries have retained this structure together with its law and order orientation in this age of organisational looseness

The structural configuration of the colonial civil service had a lot to do with the shaping of the attitudes and orientations in the service then 'Standards' set by the colonial bureaucratic elites were supposed to be imitated and to be adhered to faithfully by the Africans in the subordinate positions Class and racial barriers in the service generated a feeling of insecurity and lack of confidence on the part of the subordinate Africans They were never expected to take initiative in any issue. The outlook and orientation acquired as a result of this situation was inherited at independence

There was also the machinery of recruitment and the conditions of service thereafter that later influenced the orientation of the civil servants in Africa With independence around the corner, the British decided to establish civil service commissions in their African colonies with the objective of "removing the civil service from possible political intrigue and influence" [13] At once the language of merit recruitment, apolitical civil service, etc , began to find expression in government communications This was in spite of the fact that the colonial bureaucracy, especially the provincial administration, was highly politicised. At independence, therefore, the Africans inherited the myth of apolitical bureaucracy—one in which merit alone determined recruitment into the service—a service in which age and experience mattered more than any other thing as a basis for promotion The cost the African bureaucracies have paid for this heritage is great

[11]See the various country studies in R Braibanti, *et al*, *Asian Bureaucratic Systems Emerging from the British Imperial Tradition,* Duke University Press, Durham, North Cardina, 1966

[12]Stanley Dryden, *Local Administration in Tanzania,* East African Publishing House, 1968, p. 12.

[13]W N Wamalwa, "The Role of Public Service Commissions in New African States", in A Rweyemamu and G. Hyden, *op cit*

Apart from the civil service, there were also other areas in which structural-orientations were inherited. Local government is one. There were variations, of course, but, generally speaking, local government under colonial rule existed only in certain municipalities. Gardiner is right in observing that in the country at large, local councils and district councils were merely agencies of the central government charged with the collection of taxes and with a limited jurisdiction in the local courts.[14] The powers and functions were defined by the central government and there was no major decision they could make or implement without the approval of the central government. The establishment of the district councils, though weak they were, had the effect of accentuating tribal identities since in most of the areas districts represented specific tribes. These problems were inherited at independence.

Another area is the public enterprises. During the colonial period these were by and large not yet well established. Those that existed were mainly regulatory, marketing and public utility boards. Their proliferation has only come about in the post-independence period.

It is now several years since most African countries attained their 'flag independence'. To what extent is the behaviour of their public services influenced by the structures and orientations inherited at independence? What are some of the problems that have since emerged and how have they been tackled? What are the challenges and prospects for the future? We answer these questions in the analysis that follows.

DIFFICULTIES AND PERFORMANCE SINCE INDEPENDENCE

We have implied above that the first problems that the public services in Africa faced after independence were those inherited from the colonial state. I want to suggest in addition that, since independence, a lot of problems have emerged which are primarily the creation of the African governments themselves. The problems are of a social, economic and political nature and their degrees of seriousness vary from one country to another. We discuss these problems insofar as they have affected the various units (*i. e.*, civil service, local government and public enterprises) of the public services in Africa.

The Civil Service

A major task that faced all the African countries in the post-independence period was the need to establish an indigenous civil service that would grapple with the problems of independence. Key positions in the civil service had been occupied by expatriates. Some of them were highly technical and professional and required university education and experience. This was a serious challenge to the policy of Africanisation that had been embarked

[14] R K.A. Gardiner, "From Colonial Rule to Local Administration" in A Rweyemamu and G. Hyden, *op. cit*, pp. 19.

upon virtually by all African countries as the answer to the need for indigenisation of the services. The seriousness of this issue can be appreciated only when one realises that in some African countries even secondary educated personnel at independence were hard to come by, and in others the number of graduates in the country was negligible.[15] Recognising the reality facing them, many African countries reacted by Africanising the more 'politically sensitive' positions such as those in the provincial administration and in the administrative class (*i.e.*, from assistant secretaries to principal-permanent secretaries). In the professional and technical services, the expatriates remained. This has not been without its own costs. It has turned out that some of these people have not been as competent as the African government had been made to believe. As a result, their overall contribution to the efficient and effective operation of public services in Africa has been questioned.[16] Of the Zambian experience, Dresang writes:

> The general observation by the Zambian senior officers interviewed was that the contribution being made by the expatriates was marginal and could be done by Zambians. They also observed that they had the wrong people in terms of relevance and qualifications.[17]

Overall the costs of employing expatriates have been administrative (stifling the development of indigenous administrators), economic (failing to generate useful ideas for national development), social (perpetuating the existence of undesirable elitist values), and political (influencing directly and indirectly political instability in Africa). The dominant role played by the expatriate personnel in some African countries is serious enough to merit further analysis below under challenges for the future.

Where Africanisation has occurred, it has had its own toll The politicisation of Africanisation has meant in many countries the packing of the civil service with people from the dominant political groups. In some countries it has even been used as a means of restoring 'imbalances' created under colonial administration. In Kenya, for instance, many non-kikuyu opposition politicians dubbed the process as 'kikuyunization' in the mid-

[15]Zambia, for example, had only 150 Africans with university education employed in the entire economy (out of 3,650 graduate employees) two years after independence, see R. Jolly, "The Skilled Manpower Constraint" in C Elliott (ed), *Constraints on Economic Development of Zambia*, Oxford University Press, 1971

[16]See. *e g.*, the articles in Y Tandon (ed), *Technical Assistance Administration in East Africa*, Dag Hammarkjold Foundation, Uppsala, Sweden, 1972, especially the author's study on Kenya, Tandon's on Uganda and H Green and Loxley papers on Tanzania Also the author's *Rural Development Administration. A Kenyan Case Study*, Vikas, New Delhi, 1980

[17]Denis L. Dresang, *The Zambian Civil Service*, East African Publishing House, 1975, pp. 55-56.

sixties.[18] In Nigeria with its ethnic diversities and parochial regional tendencies, Africanisation was regarded by the less educated North as Southernisation. This prompted the passing of a 'decree' by the government of the North to the effect that:

> It is the policy of the regional government to northernise the public service. If a qualified Northerner is available, he is given priority in recruitment; if no Northerner is available an expatriate may be recruited or *a non-Northerner on a contract'* basis.[19]

The implementation of this policy saw the systematic removal of southern Nigerians, especially the Ibos from the northern civil service. In Zambia, the fear that Zambianisation would simply result in Bemba-Tonga domination of the service, found expression in the political divisions within the governing party—the United National Independence Party (UNIP).[20] Dresang's own observation was that

> in the process of Zambianization the government has failed to convince its citizenry that all Zambians have equal career prospects in the bureaucracy regardless of ethno-regional identity. While the bureaucracy is not the preserve of any ethno-regional group in Zambia, there is evidence to confirm in a partial manner the charges of those who perceive emergent patterns of unequal access.[21]

We will return to this issue later, but for now my preliminary submission is that the major cost of preferential recruitment in the civil services in Africa has been its accentuation of parochialism in national affairs.

Reforming Inherited Structures and Practices

This is one area where a lot of 'experimentation' has taken place. There is no signle country in Africa where some form of administrative reform has not been tried. Studies done so far tend to indicate that there have been more cases of failure than success. Michael Bentil having surveyed the reform measures taken in the Sudan, Ghana and Tanzania between 1950-1976 concluded that most of the administrative reform actions had been characterised by 'fire-fighting' techniques that created more problems than solutions, and

[18]See parliamentary debates, in Official Reports for 9th, 10th and 30th November, 1965 quoted in J J. Okumu, 'The Socio-political Setting' the G Hyden, *et. al.,* Development *Administration: The Kenyan Experience, op. cit.,* p. 34.

*My emphasis

[19]Northern Nigeria Public Service Commission *Report on the Public Service Commission for the period November* 1, 1954 *to December* 31, 1957, Kaduna, 1958, p.7.

[20]Denis L. Dresang, *op. cit.,* pp. 61-69

[21]*Ibid*, p. 69.

that there had been little indication that the reforms proposed formed part of well-conceived, long range perspective plans that covered all aspects of the administrative machinery of the government.[22] At the same conference the administrative secretary of AAPAM, and himself a former senior civil servant like Bentil, observed that the core of public service crisis in African countries was the apparent inability to effect comprehensive administrative reform to meet the changing demands required of those services.[23] But what is to be reformed? In many countries, reform efforts have focused on the wrong areas. Where, on the other hand, they have focused on the right ones, the commitment and seriousness of purpose have been lacking Arising from the discussion in the previous pages, reform measures in African civil services should aim

(*a*) to reduce if not to eliminate class tendencies in the civil service structure;
(*b*) to provide for organisational looseness instead of rigid hierarchies;
(*c*) to create service values that are consistent with the prevailing conditions in the society;
(*d*) to eliminate unethical practices in all their reforms, and
(*e*) to establish service standards and goals that are achievement oriented.

It has been difficult to rid the African civil services of these problems because of the political-bureaucratic environments that prevail in most of these countries. A civil service is a creature of its own environment, both immediate and distant One cannot, for instance, expect a civil servant to remove the class structure in the service when the wider society is developing along class lines Studies done so far tend to indicate, in varying degrees, that that is the situation unfolding in many African countries [24] Furthermore, both the political and bureaucratic elites seem to have a stake in the *status quo*. Neither is prepared to take the initiative to effect the needed changes. The privileged position provides them with instant access to what is otherwise scare resources In some countries this privileged access has been turned in to outright plunder of state resources [25] In most countries the privileges that

[22]Michael A Bentil, "The Strategies and Problems of Administrative Reforms in African States" in *Proceedings of AAPAM Roundtable Conference*, Sierra Leone, 31st July-4th August 1978

[23]C H. Muwanga Barlow, "The Public Service Crisis in Independent African Countries", in *Proceeding of AAPAM Roundtable Conference, op cit*

[24]See for example Richard Harris (ed), *The Political Economy of Africa*, Schenkman Publishing Co. Inc, Cambridge, Massachusetts, 1975, G Arrighi *and* J. Saul (eds). *The Political Economy of Africa*, Monthly Review Press, New York, N Y, 1973, Colin Leys, *op cit*

[25]See for instance David J Gould's indictment of developments in Zaire in his "From Development Administration to Underdevelopment Administration A Study of Zairian Administration in the Light of Current Crisis" in *Les Cahiers du Cadaf* 6/1978. Centre D'Etude Et Documentation Africaines (CEDAF) 7 Place Royale, 1000 BRUXELLES

institution of local government had declined and that

> Nigerian local governments to-day are deprived of their representative institutions, are being shorn of their functions and are declining in man-power and fiscal resources. The hopes which accompanied the reforms of the 50s have been dashed on disappointments.[39]

In short the future of the institution itself is in question.

A logical development from the above discussion is that local government services cannot be expected to be strong. Hume reports that the service was weak in Nigeria because of patronage, nepotism, jobbery, low salaries, inadequate security, limited promotion prospects, and the respect and responsibility insufficient to attract and retain sufficiently qualified personnel[40] The list is a familiar one for almost all local government services in Africa, and the problems seem to be assuming more serious proportions in comparison to the problems of the civil services.

Public Enterprises

It has been pointed out that at independence public enterprises were in their budding stages in most of Africa. Since independence, however, these institutions have multiplied in number and expanded in scope and activities.

The rationale for establishing these enterprises has been the need to reduce private sector domination of the economy but also, in the case of socialist aspiring states, to establish organisations that could still operate on the profit making principle, thereby generating more funds that could be pumped back into the economy in the name of investment. Yet others were established as service organisations to provide badly needed services to the people—hopefully at reduced charges

The performance of these institutions has left a lot to be desired Seminars held and papers written all indicate pathetic performance by these institutions Papers presented at the AAPAM seminar in 1973 and published in *A decade of Public Administration* do indicate problems in Nigeria, Sierra Leone and Ghana In his paper Chief Jerome Udoji observed that the corporations had done so badly that many public enquiries had been conducted into their affairs[41] At a conference held at the East African Management Institute (Arusha, Tanzania) in 1975 on *Improving Performance in Public Enterprises*, the papers presented all indicate problems with these institutions The contribution by the secretariat of the Economic Commission, for instance, observed that during the short period of their existence many (public enterprises) have been wound up due to unsatisfactoty performance and others

[39] S Hume, "Local Government" (in Nigeria), *Quarterly Journal of Administration, op cit.*, p 95

[40] *Ibid.*, p. 99

[41] In *A Decade of Public Administration*, p 238

have only been kept alive or resuscitated by the injection of massive government subsidies or the writing off of bad debts.[42] and a recent AAPAM study observed that the enterprises have been bedevilled with many problems, some of which are of their own making.[43]

What are the problems facing these enterprises?[44] A major problem is lack of clearly defined purpose and objectives. It is not uncommon to find several boards and corporations whose activities overlap, thereby causing confusion and conflict. A much more serious problem is lack of effective internal and external controls. Many public enterprises are run as if they were family concerns. Recruitment is based on parochial considerations, and salary scales vary according to who the employee is. Internal financial control is generally lacking. In many countries these institutions are not even accountable to an external authority such as auditor general. Control by the 'parent' ministries is also usually lacking as some directors of these outfits may be too 'powerful' for the ministry official to touch. Political interference is not uncommon.

There is also the problem arising from the use of inappropriate management techniques, and too much reliance of foreign 'experts' and multinational corporations. The latter two have combined to distort the goals and priorities of these institutions and in some cases have caused the loss of control by the nation of its vital economic resources.[45]

The question today is how to transform these institutions, as well as those that we have discussed above (*i. e.*, the civil service and the local authorities) into institutions that serve the public interest. The final section of the paper is devoted to this question.

FUTURE PROSPECTS

We have established that the challenges facing the African public services today are of a historical, social, economic and political nature. Some of these problems were inherited at independence while others have been the creation of the post-independence regimes. To the extent that they are problems today, we must regard them as tomorrow's problems too. In the light of what has transpired since independence, the question one might ask at this point is, what are the prospects for the African countries as they prepare to grapple with these problems in this and the coming decades?

[42]Secretariat, UNECA, "The Role of Public Enterprises in the Development of African States" in *Improving the Performance of Public Enterprises in Developing Countries*, Report of the International Conference held at the East African Community Management Institute, Arusha, Tanzania, 2nd-5th December, 1975, p. 19.

[43]*Profiles of African Public Services in the* 1980, *op. cit.*, pp. 72.

[44]For a catalogue of these problems see the Arusha Report (footnote No. 42 above)

[45]See for instance, I.G. Shivji, "Capitalism Unlimited : Public Corporations in Partnership with Multinational Corporations", *The African Review*, Vol. 3, No. 3, 1973, pp. 359-381.

Historical Problems

A twin problem which must be tackled in this and the coming decades is the inherited service structures and orientations Africa must be prepared to discard inherited old practices which have been under attack even in the same countries that were in the first place responsible for their initiation and institutionalisation in Africa.[46] Removing rigid classifications in the services thereby enabling easy professional mobility, both vertically and horizontally will increase service morale and stability. Since there are groups within the civil service that benefit from the *status quo*, to effect the necessary changes, will involve 'external' intervention Unless the wider government system appreciates the problems inherent in present arrangements it will be difficult to bring about changes.

Centralisation of decision-making which inhibits and suffocates initiative in decision-making, especially in field agencies of the central government, will have to go Development and 'monocratic' organisations are unnatural partners. If the field agencies of the central government are to play a major role in the development process, they will have to acquire more discretionary powers especially in matters of detail What will thereafter be required is a flexible coordinating machinery that is inevitable in such an arrangement

To achieve the kind of deconcentration being advocated here, the quality of local level staff will have to be improved so that the centre may have the confidence to delegate In many countries, the potential to do so exists provided they can utilise their staff more rationally

Social Problems

In many African countries the development policies being followed have had the unintended consequence of creating socio-economic cleavages in the society Reversing the trend already established is the single most important challenge that faces the African countries. Why is it that even those African countries advocating virtually impossible populist ideologies find it difficult to arrest the situation? Part of the problem, as we discussed above, lies in the fact that both the political and the bureaucratic elites have a stake in the *status quo* Much will depend, therefore, on the emergence of a generation of leaders that will see sense in giving 'development' a new defintion It is, however, not easy to predict how that will come about in the individual countries.

What of tribalism with its attendant vices? The problem with tribalism is that it is largely influenced by the level of a country's political and economic development It depends on the degree to which individuals, or groups thereof. can accommodate one another as they relate politically and economically In situations of poverty (both political and economic) the contest assumes social dimensions as group conflicts manifest themselves in parochial terms

[46]For instance the 1968 Fulton Committee Report on the British Civil Service observed that the class system in the service created major obstacles in the optimal utilisation of staff

The brief survey of the historical changes in western European societies indicated earlier showed that the process of creating nation states to which the various ethnic communities surrendered sovereignty and hence loyalty was a process that took centuries to unfold; yet we in Africa behave as if tribal loyalties can be removed with the attainment of 'legal nationhood'! We are forgetting that in fact the individual African polities are multi-national states—a point Chief Abafemi Awolowo of Nigeria made several years ago. The fact is that we still have a framework for behaving tribally. The political-administrative areas in most African countries are represented by distinct tribal-ethnic groups. Resources flowing to these areas therefore assume ethnic dimensions. Talk of lack of development in a district or a province is often translated in ethnic terms Primary group associations are still predominantly ethnic. These are objective realities that academic critics of tribalism (mainly class scholars) tend to turn a blind eye to.

To accept the reality is not to condone the widespread practice of tribalism in the African societies The point has already been made in this article that the practice is anti-developmental as much as it is a sign of lack of development Giving jobs on tribal-ethnic-clanish criterion is a cruelty to the development and stability of the public services. It makes the services unrepresentative of the wider societal configuration. It makes the process of nation-building difficult. With respect to the civil service, it creates complacency and disloyalty to officers from the under-privileged groups as the do-dominant group begins to develop a sense of self-importance. Inefficiency and lack of productivity in the public services are the logical outcome.

The problem will be with us for a long time to come The challenge in the coming decades will be, to what extent the African governments can introduce measures that can progressively eat into tribalism. In the developed countries industrialisation played a major role. It created social dislocation, and through the 'pull' and 'push' processes people began to acquire new 'social territories' and new friendship patterns. The process is already on in the urban areas of Africa The momentum of industrialisation must be increased if Africa is to save itself from disintegration influenced by primordial structures and orientations

The third social problem is lack of service ethics A central component problem here is corruption It is rampant throughout the continent In some countries utterances by public officials give the impression it has their blessing. In Zaire the President is reported to have told a public assembly that while brazen theft was bad, people could and perhaps should 'steal cleverly'[47]. The same gentleman is reported elsewhere as having described his nation in 1977.

> Our system risks asphyxiation .. Everything is for sale, everything is bought in our country. And in this traffic, holding a slice of public power

[47]David J Gould, *op cit*, p 22

> constitutes a veritable exchange instrument, convertible into illicit acquisition of money or other goods, or the evasion of all sorts of obligations. Worse even, the use by an individual of his most legitimate right is subjected to an invisible tax, openly pocketed by individuals. Thus an audience with an official enrolling children in school, obtaining school certificates, access to medical care, a seat on the plane, an import licence, a diploma, among other things, is subjected to this tax, which is invisible yet known to the whole world Accordingly our society risks losing its political character to become one vast market place, ruled by the base laws of traffic and exploitation [48]

And in Nigeria a principal secretary is reported to have made similar observations ·

> It is not an exaggeration of the tragic events of the years since independence to say that all efforts to establish a just and efficient administration have been frustrated by corruption The evil exists in every facet of our lives You bribe to get your children into a school, you pay to secure a job and you continue to pay in some cases to retain it; you dash to tax officer to avoid paying tax; you pay hospital doctor and nurse to get proper attention. You pay the policeman to evade arrest . Against this background, administration at national, state and local levels has been adversely affected.[49]

In Kenya the then head of the civil service and the general secretary of the now-deregistered Kenya civil servants union both agreed that corruption was a major problem in Kenya In a speech to the union the then head of the civil service observed

> It is disturbing and regrettable that there are civil servants that have been tempted to allocate government resources, contracts and services over which they have control to further their own personal interests or that of their friends and relatives [50]

In an interview held after the above observation had been made, the general secretary remarked ·

> The civil service is a part of the Kenyan society The ills that you find in the society you can expect to find in the civil service.. Corruption is

[48]*New African*, magazine, London, August 1980, p 4

[49]M A Tokunboh, "The Challenge of Public Service", *Quarterly Journal of Administration*, Ife, Vol II, No 2, January 1968, p. 76

[50]Excerpt from speech made by Mr Geoffrey Karithi to members of Kenya Civil Servants Union reproduced in *The Weekly Review*, Nairobi, August 15, 1977, p 7

> both in the public and private sectors. I am told that in many private companies you cannot be employed unless you have done certain things which are corrupt. Therefore corruption is not peculiar to the civil service. It is a general illness in the whole country. If you like, the country is corrupt or is becoming more and more corrupt and the civil service is part of this country.[51]

The list could be expanded but it would serve no useful purpose. The point has been made, namely, that African leaders, both political and administrative, admit that corruption is a major problem in their respective countries

There are, of course, those people who would argue that corruption is not confined to Africa alone Dwivedi, for instance, has observed that in India bribery is seldom condemned unless some are denied the right to bribe when the others are getting away with it.[52] And then there are the recent Lockheed multi-million dollar bribes paid to influential government leaders throughout the world to influence the sale of Lockheed aircrafts and the now infamous Watergate payments, both in the USA.

Some form of corrupt practices do exist in other lands, yes, but the magnitude and the official participation and protection of the practice in Africa is far too widespread to be compared to them. As Wanyoike correctly observed, the problem lies in the participation by the political leadership in corrupt practices.[53] Accordingly they become morally bankrupt and cannot therefore provide the necessary leadership in removing corrupt practices in the society including the public services.

A lot of space has been devoted to this problem because more than any other problem corruption affects the efficiency and effectiveness of any public organisation directly. It leads to diversion of resources away from their original purpose. It is a sign of love for money which leads to moral decay in the services and subsequently to unethical and irrational behaviour in organisations.

Corruption is directly associated in Africa with the emergence of socio-economic cleavages that we referred to above Its solution too will be political. While I agree with Leys that the problem may be due to widespread poverty in the society and to the stage of development at which Africa is,[54] I want go a little further and suggest that in the present circumstances, what must be done to arrest the situation is the restoration of morality in the

[51]Excerpt from an interview with Mr. Kimani wa Nyoike, *ibid*, p. 8.

[52]O.P. Dwivedi, "The Case of Bureaucratic Corruption" in Michael T. Dalby and Michael S. Werthman (eds.), *Bureaucracy in Historical Perspective*, Glenview, Ill., 1971, p. 93

[53]For an excellent theoretical explanation of corruption in the New States, (though some of the issues raised are not convincing after decades of independence) see C.T. Leys, "What is the Problem About Corruption", *Journal of Modern African Studies* Vol 3 No. 2, 1965, pp 215-230

[54]*Ibid*

society through disciplined leadership in high places The acquisition of the discipline we are calling for here is the major challenge facing Africa in the coming decade. I am rather pessimistic, though, as far as the 80s are concerned

Economic Problems

The point has been made that part of the problem in Africa lies in the fact that it is underdeveloped In many countries, lack of development or under-development has been caused by the policies the African leaders have pursued since independence. These policies in many countries have involved. (*a*) maintaining close links with the external economies, (*b*) pursuing growth oriented, non-egalitarian development strategies, and (*c*) devising investment strategies that favour urban as opposed to rural areas

Of all these factors the most important is the external intervention in the economies of Africa Multinational corporations control the activities of private sector economy as well as the nationalised industries with which they maintain all sorts of agreements (*e.g.*, consultancy, marketing, management, etc) Through these arrangements money is expatriated out of the country. They also influence and control the short and long term investment policies of adopted corporations and enterprises In the private sector, they expatriate money in the form of 'after tax profits' and also influence the investment policies in the countries of their operation It is not an exaggeration to state that links with external bodies have done considerable harm to the development of Africa since the colonial times

At the level of personnel it has retarded the development of the indigenous personnel [55] In the civil service and in parastatal bodies, technical assistance has been part of any programme that is externally financed In many countries, these 'experts' are now unwanted, yet they keep on coming! The solution to this problem lies in Africa going its own way Unless reliance on aid for development is stopped, there is no way Africa can expect outsiders to stop meddling in its affairs. The long term solution, as has been always advocated by the Economic Commission for Africa (UNECA), lies in intra-African cooperation The challenge lying ahead is whether both the *left* and the *right*, the *anglophone* and the *francophone* Africa will see sense in disengaging from the new and the old links that have so far generated more problems than they have solved The challenge to the public services here is whether they will be able to provide the kind of advice to the political leaders that may lead to practical and fruitful mutual relations

There will also be a need to redefine the meaning of 'development'. If past and present policies have led to the emergence of socio-economic cleavages in the society, there will be a need in this and the coming decades to identify the policies that do not polarise the people Among other things,

[55]See articles in Y. Tandon, *op. cit*

there will be a need to concentrate in areas that have hitherto been neglected, for example, the rural areas. In all these the public servants will have to play a major role in advising the political leaders. The challenge here is whether they will rise up to the occasion in the light of what we have said about them above.

Political Problems

The historical, the social and the economic problems we have discussed can only be meaningfully tackled if a committed and dedicated political leadership exists Unfortunately the African political leaders have been the major perpetrators of some of the socio-economic ills we have discussed above. In this regard, both the military and the civilian political leaders have behaved alike Political parties, where they still exist, have been ridden with internal factionalism based usually on tribal-ethnic loyalties.[56] Corruption and parochial tendencies in public life have received the support and protection of political leaders. The exceptions are very few, indeed.

Most of the African countries are ruled by the coup makers. The political system is thus fragile and the leadership insecure. As a result, there is considerable political interference in everyday life. Politicians, unsure of how long they would remain in power, use the available opportunity to plunder as much as they can of the meagre state resources [57] In the countries still under civilian rule, senior political leaders have gone into alliance with the bureaucratic elites to retain the system of inequality from which they both benefit Worse still a number of them depend on foreign political and military support to remain in power. The recent use by Zaire of foreign troops to quell problems in its Shaba province is a case in point.

The fragility of the political system affects the public services directly. Frequent changes of government in many countries has meant wide-scale purging of the public services,[58] thereby creating a sense of insecurity and lowering of service morale.

We have also observed that if the politicians are corrupt, the public services will inevitably be corrupt too What happens in the realm of politics affect other sub-systems of the soceity directly. The problem for the future, therefore, is how to create a favourable political climate in Africa in the coming decades—a climate that would be free from parochial tendencies in political behaviour. Here again a lot will depend on the emergence of a generation of political leaders that will begin to see sense in defining the public interest and then work to promote it as is already happening in a few isolated cases

[56]Dresang, *op. cit.*

[57]*New African Magazine*, August, 1980, *op cit*, pp. 11-17

[58]Oluwadare Aguda, "The Sudan Civil Service 1964-1971", *Quarterly Journal of Public Administration*, Vol VI, No. 3, April, 1972, pp. 333-347.

CONCLUSION

It has been argued here that the problems facing the African public services today have their roots in the colonial heritage; that, since independence, many African governments have pursued policies that have accentuated the said problems, as well as generating new ones. The civil service, the local governments and the public enterprises have all suffered in the process

The point has been made that if Africa is to save itself from disintegration, there is an urgent need to critically re-examine some of the social, economic and political developments that have taken place in the society with a view to finding out whether they serve the public interest.

The challenge facing the African governments in this and the coming decades is whether they will be able to establish structures and institutions whose main objective will be to serve the public interest The achievement of this objective will require a political leadership that is committed to the service of the national interest

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Cultural Environment

Currently, a majority of the world's rural peoples, who occupy a large fraction of the earth's land, live in modified traditional cultures. There are many such cultures in the less developed countries Even in the industrialized nations, some native populations still approximate their former traditional cultures—such as the Amish in the U S , the Eskimos in Canada and Alaska, and the Samis (Lapps) in northern Scandinavia. But trade, medicine, technologies, and other factors have changed practices, values, outlooks, and the relations of such cultures to the environment The populations of modified traditional cultures often grow at the world's fastest rates and, if unchecked, will soon exceed the carrying capacity of the local environments on which they depend As long as the needs of traditional cultures remain well below the life-support capacity of the local environment, population growth can continue with minimal impacts As the life-support capacity is approached, however, environmental degradation begins, eroding and reducing the quality of life previously enjoyed Social tensions and conflict over the distribution of increasingly scarce resources often follow. Ultimately, the capability of the environment to support life is undermined and diminished.

—*The Global 2000 Report,* Volume 2,
Washington, 1980

Training and Development in Public Service: The Canadian Experience

P.K. Kuruvilla

THE PURPOSE of this article is to describe briefly the current structures and practices pertaining to training and development in the Canadian public service and to highlight in a broad perspective some of the basic problem areas and limitations in respect of them. Training and development are undoubtedly important functions in the management of a public service. The importance of public service training and development may be emphasised in many ways. First, it is an important factor in improving employee efficiency and effectiveness Secondly, it can help minimise the costly and time-consuming process of learning by the trial and error method and speed up the learning process, especially when people have to be assigned to new and unfamiliar work situations. Thirdly, training and development constitute one of the most effective means available to management to improve the morale of employees Selection for a training course may be a signal to the employees that their superiors are interested in them. Very often, it may also have the potential of creating an *esprit de corps* by bringing together the employees of a particular office, or those occupying different positions in different offices and by inculcating in them a team spirit and a better appreciaciation of the goals of their organisation [1]

Fourthly, training can serve as a means of discovering and developing managerial talent. By broadening the horizons of its participants and preparing them for higher responsibilities, it can enable them to realise the full potential of their career development Finally, from a managerial and control point of view, training and development are important factors that would enhance responsibility and responsiveness of public administration All in all, as the Royal Commission on Government Organisation pointed out in its report on personnel management, training and development are

> integral parts of the process by which management objectives are achieved. They are, therefore, an inescapable management responsibility.[2]

[1]United Nations, *Handbook of Training in the Public Service*, 1966, pp 57-60

[2]The Royal Commission on Government Organisation, *Management of the Public Service*, Ottawa, 1962, p. 374.

taxes may have to be found and accepted However, the images of limited world resources or stagnant economic growth or prospects of scarcity may turn the minds of persons and groups (who view each other as aliens) to hostility and hate and eventually into the doctrine of war and civil war. But among persons and groups linked to each other by feelings of solidarity, sympathy and identification, perceptions of scarcity may lead to the voluntary acceptance of shared sacrifices, a more profound sense of community, and eventually, the practices and institutions needed to sustain it. It is this eventuality that has sustained the hope of mankind for survival and survival with dignity.

Deutsch strongly believes in the just claims of poorer countries and peoples of the world which he thinks cannot be denied. Their hesitant step toward self-help and cooperation and their continuing pressure on the rich countries cannot be stopped In the next fifty years or so, the present distribution of economic resources probably will have to undergo changes in their favour. "For the age of nationalism, in which we are still living, may leave us with the lesson On our small planet, there is no substitute for human solidarity."

As Deutsch puts it :

> Today's world is in many ways interdependent, in many respects unequal and nationally self-preoccupied, and to a great extent ungovernable These three conditions are linked in a self-aggravating cycle. Interdependence has a stronger potential for creating damage than for creating remedies, making the consequences of inequality more dangerous Inequality in both economic and cultural areas, and national self-preoccupation, make the world more ungovernable, for they make it harder to maintain among nations that level of international communication, and of cognitive and evaluative consonance, necessary for sustained and flexible cooperation or acceptance of common laws or governmental institutions Lack of international cooperation and governability in turn aggravates the dangerous joint effects of uncontrolled interdependence and unrelieved inequality.

Deutsch's conclusion is that the industrialised countries of the world have a great deal of responsibility for the outcome of the conflict between equipping the world's population of the A D 2010 enough to produce to feed themselves, which is more expensive, or equipping them to kill, which is already cheap and, with the kind of progress that nuclear physics is achieving these days, will still be cheaper tomorrow. It is thus of imminent necessity to conceive of a peaceful world order if the earth has to become a home for all of its people "The tides of nations need not be left to the blind processes of fate The decisions and the persevering actions of the industrialised nations can turn them into tides of life"

CONCLUDING OBSERVATIONS

Tides Among Nations undoubtedly reflects a genuine concern on the part of a great scholar of our times to secure a just world order in which inequalities, discriminations and differences among nations would not at least come in the way of a harmonious collective entity, if not altogether eliminated. It also illustrates some of the developments in the thought of a man who started out as a student of nationalism in the late 1930s, pursued this topic since that time, but has now turned to be an ardent champion of internationalism and a theorist in the areas of development mobilisation and nation-building.

The papers included herein were written over a span of 35 years and cover a wide range of approaches from historical evidence to economic analysis and from quantitative evidence to qualitative conclusions, demonstrating some of the important changes in political science during the last thirty years. However, more important than the shift in emphasis in Deutsch's thought has been the continuing unity of the two concerns: The historical analysis dealt with the quantitative rise or decline of some political practices or social processes, and the qualitative studies aimed at gathering evidence for the change of some quality of political and social life. The two approaches, as Deutsch contends, are interdependent and in the long run inseparable if the study of politics is to develop as a social science—that is, as verifiable knowledge which people can share Retaining a principal concern for historical and descriptive analysis, political scientists today have increasingly moved towards a more systematic comparative approach, toward the use of explicit theories and models, including those in mathematical form, and towards the use of dependable data The book stands as an outstanding testimony to this transformation

However, when we come to the qualitative aspects of the answers to some of the basic questions, concerning human survival, raised by the *Tides Among Nations*, we seem to be still far from having a satisfactory answer, Deutsch's optimism and concern notwithstanding These are not the questions of development (how much and in what direction) but related to the quality of human life, individual rights and human dignity. Should these be overruled or overlooked in order to secure economic and social development by any nation or a conglomeration of nations?

The newly independent states, partly as the result of efforts to end the heritage of colonialism, have emphasised national strength and prestige to the detriment of individual rights The struggle for independence occasioned the need for strong leadership and for reliance on the military. After independence, there logically followed dependence on the state, the bureaucracy, and often on the old elites for the overwhelming tasks of national political and economic development. Pressing special concerns—poverty, malnutrition, disease, illiteracy — afflict at least one-fourth of the world's population

and, despite massive assaults on the problems, are destined to persist and grow worse, especially if burgeoning population presses upon scarce resources We hear that despite the considerable progress being made, the gap widens between the rich and poor nations The questions legitimately arise : Should we establish a priority for social and economic needs over everything else? What profiteth man and woman if they gain the right to vote, or *habeas corpus*, or freedom to assemble, when their main concern for themselves and their families is assurance of a decent existence and a minimum of well-being—food, shelter, education? Some believe it possible to encourage a democratic philosophy of development that can simultaneously work for social and economic change, protect individual rights and ensure a larger participation by people in the societies that control their lives Some would even argue that a free society alone can encourage the creative impulses and talents needed for genuine development Is such a philosophy of development possible? Or are the pressures of nation, state, sovereignty, nationalism, national discipline and bureaucracy destined to prevail?

These are then the few principal qualitative issues that command the attention of social scientists, and others, over the world today. If the basic needs approach, inherent in Art. 25(1) of the Universal Declaration of Human Rights (*viz* , "Everyone has a right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control"), is to be made realistic then the achievement of 'development' has to be closely linked to the promotion and protection of human rights The right to development thus seeks to impose not only a national duty but also an international obligation, derived from the principles of justice and international solidarity It is this perspective, which the *Tides Among Nations* takes, but does not go deep enough to suggest a way to change the pattern of thinking and feeling of mankind in order that "humanity is able to take its own fate into its own hands, and see to it that its children and children's children shall have life, and have it more abundantly".

□

Review Article 4

Government and the Economic System*

Kamta Prasad

WHAT IS an appropriate economic system? This question has agitated the minds of economic and political thinkers for ages, and yet no agreed viewpoint has emerged so far. A number of systems have been tried from time to time but none of them has been found completely satisfactory. And so the debate continues.

THE ISSUE

The basic issue in the current debate as seen by the celebrated authors of the book under review is the *extent* to which government should exercise control over or take part in the functioning of the economic system within a democratic framework The extremes of absolute control and no control are rightly ruled out by them. "Just as no society operates entirely on the command principle, so none operates entirely through voluntary cooperation." Examples are given to show how the voluntary market elements flourish even in the Soviet Union despite their inconsistency with official Marxist ideology because the cost of eliminating them would be too high. On the other hand, the USA, which is regarded as a citadel of free market economy, has found it necessary to impose controls in several sectors of its economy In this way every society in the modern world has a mix of command and voluntary elements. However, "it makes a vast difference what the mix is—whether voluntary exchange is primarily a clandestine activity that flourishes because of the rigidities of a dominant command element, or whether voluntary exchange is the dominant principle of organization supplemented to a smaller or larger extent by command elements." A wide variety of arguments and facts taken from the experiences of a number of countries including India are used by the authors to establish the superiority of the second alternative on the ground that it "has within it the potential to promote both prosperity and human freedom".

***Free to Choose**
MILTON FREIDMAN AND ROSE FREIDMAN, Secker & Warburg, London, 1980, pp. 338, £ 4 95.

FREE ENTERPRISE SYSTEM—CASE FOR AND AGAINST

There is nothing new in this conclusion or in the tenor of the arguments advanced in its favour. The case for the free enterprise system has been made again and again by a number of writers beginning with Adam Smith The system was given a fair trial for several decades in a number of countries. The results are by now familiar. The system has both good and bad points. However, the authors in their zeal to prove the superiority of the system concentrate on the favourable aspects alone and tend to overstate their case. For example, they assert that "the combination of economic and political *freedom* produced a golden age in both Great Britain and United States in the nineteenth century". The part played by other factors such as exploitation of colonies in the case of Britain, and abundance of natural resources as compared to population in the USA, are ignored. The very characterisation of the period as 'a golden age' may be challenged if we take into account the pitiable condition of the workers in those countries, the growing disparities in income and wealth, the growth of monopoly capitalism, and the recurrence of economic crises of different magnitudes which finally exploded in the Great Depression of the nineteen thirties. At the same time, there are many predominantly free market economies which have achieved neither prosperity nor freedom. The authors acknowledge their existence; however, they also assert that they "know of no society that has ever achieved prosperity and freedom unless voluntary exchange has been its dominant principle of organisation". In other words, voluntary exchange, according to them, is a necessary but not sufficient condition for prosperity and freedom.

Prosperity and freedom are both value loaded terms capable of varying interpretations depending upon the value system one adopts and the target group one has in mind The authors obviously concentrate their attention on the propertied class who really 'prosper' in the process and enjoy 'freedom'. But what about the bulk of the population in the category of consumers and workers? Can a nation, the bulk of whose population consists of poor people, be regarded as prosperous? How many of such people can be expected to have recourse to a variety of options which are associated with the word 'freedom'?

The Friedmans' unbounded faith in the efficiency of the free market system in improving the lot of everybody is derived from their acceptance of a key assumption of Adam Smith's Wealth of Nations : if an exchange between two parties is voluntary, it will not take place unless both believe they will benefit from it. However, the evidence accumulated since Adam Smith wrote his classic casts doubt on the validity of this statement The real world has to deal with the phenomenon of 'distress sales' by weaker partners in the exchange process, having limited options and weak bargaining power. It is true that the system ensures attainment of maximum possible

degree of efficiency with respect to a given set of prices. But these prices being determined by the market forces may fail to reflect social needs and aspirations. Moreover, maximisation of aggregate income is not the only criterion for judging the utility of our economic system. Questions of distribution and stability of income are also important The authors would be aware that it were these considerations which led to the erosion of faith in the ability of the free enterprise system to deliver the goods. However, they have hardly written anything to show how these objections can be met.

GOVERNMENT'S FAILURE TO PROMOTE THE GENERAL INTEREST

Instead, they launch a campaign to discredit the system of state intervention by finding fault with its working. Most of the book deals with failures of the government in promoting general welfare of the society, of misuse of its apparatus by the vested interests to promote their sectional interests at the cost of that of the general public, of corruption, inefficiency and wastage of resources. Examples drawn from experiences of several countries, both developed and developing, and from a number of sectors of the economy such as foreign trade, education, social welfare, industry, labour, etc., are repeated to drive home the point that the governmental interference into the economic system is harmful to the general public in whose interest it is supposed to work. An empirical scientist can find fault with their methodology. can point out that there is nothing to show that the examples are representative, or that the inferences drawn follow logically from the facts. It is also possible to lay hands on some factual mistakes as, for example, the statement about India made on page 59 that "since it achieved independence in 1947, it has received an enormous volume of resources from the rest of the world, *mostly* as gifts" (emphasis mine). One can point out that what is true for a tiny country like Hong Kong (chapter I) which is projected as a model of a free enterprise system, need not be so for a country like India or Brazil or Indonesia or the UK. One can also say that the comparison between India after independence in 1947 and Japan after the Meiji Restoration in 1867 (chapter 2) does not take into account a number of relevant factors and therefore the conclusion derived may be wrong These are matters of detail. The substantial point that emerges with which there cannot be much disagreement is that all is not well with the working of the government in the economic sphere and that there are several reasons why it should be like that.

The leaders who introduced the New Deal legislation in the USA, welfare state measures in the UK, and economic planning in India were all guided by the lofty ideals of promoting the welfare of the masses. However, the authors have given several examples to show how governmental interference has led to the promotion of *sectional* and not general interests. Trade unions clamour for and succeed in securing higher wages not at the cost of profit,

which they may proclaim, but at that of the general mass of consumers and tax payers. The movement for public school system in the USA paid for by government and controlled by professional educators which was successfully carried through, ostensibly in the name of providing education to every child, has resulted in deterioration in quality of teaching though the teachers and educational administrators have benefited a lot in terms of emoluments, security of service and control over the educational system. The provision of free or subsidised education at higher levels has actually resulted in giving more benefits to the rich. The control of medical education and hospitals by the doctors through the American Medical Association, which is their professional organisation, has been responsible for the lower supply of doctors so as to keep the salary of the profession at a high level even though society needs more doctors. That has also been responsible for the imposition of several controls resulting in higher costs of medical care.

The authors give several other examples, mostly drawn from the experience of the USA, to show how the powers of the state are misused by the interested bureaucrats and professionals to promote their sectional interests in the name of serving the general interest. I feel that these observations are more or less true of a country like India also. There is thus a wide gulf between what the government as the custodian of the interests of the general public should do and what it actually does under pressure of vested interests. The resultant inefficiency and wastage are highlighted again and again. "The illusion that nationalisation increases productive efficiency, once widely shared is gone." "The more bureaucratic an organisation, the greater the extent to which useless work tends to displace useful work — an interesting extension of one of Parkinson's Laws." The establishment of a donor dependent relationship between bureaucrats and the beneficiaries in the welfare programmes tends to corrupt the people involved. "The end result is to rot the moral fabric that holds a decent society together."

WHY SECTIONAL INTERESTS PREVAIL?

administrators who administer the programmes. The money that they spend on others belongs to somebody else, namely, the taxpayers. The authors, therefore, submit that "only human kindness, not the much stronger and more dependable spur of self-interest, assures that they will spend the money in the way most beneficial to the recipients. Hence the wastefulness and ineffectiveness of the spending."

"But that is not all. The lure of getting someone else's money is strong. Many, including the bureaucrats administering the programs, will try to get it for themselves rather than have it go to someone else. The temptation to engage in corruption, to cheat, is strong and will not always be resisted or frustrated. People who resist the temptation to cheat will use legitimate means to direct the money to themselves."

The authors mention several reasons why special interests prevail. Unlike the Soviet Union or other totalitarian countries, political and administrative powers in democratic countries like the USA are diffused in several hands round which special interest groups cluster. And quite often the different departments and wings of the government may follow different policies For example, some department may spend money to discourage smoking cigarettes, while another may spend money to subsidise farmers to grow tobacco. The authors quote a few more examples. While many of these effects cancel out, their costs do not. Thus "there is, as it were, an invisible hand in politics that operates in precisely the opposite direction to Adam Smith's invisible hand. Individuals who intend only to promote the general interest are led by the invisible political hand to promote a special interest that they had no intention to promote."

The authors provide reason why such a situation is tolerated by the public at large An individual who gets the benefit from any one programme "can readily recognize that he and the small group with the same special interest can afford to spend enough money and time to make a difference in respect of the one program Not promoting the program will not prevent the others, which do him harm, from being adopted To achieve that, he would have to be willing and able to devote as much effort to opposing each of them as he does to favoring his own. That is clearly a losing proposition." Opposition to any sectional interest seldom comes from disinterested persons concerned with the general interest : if at all it comes, it comes from other interested parties Thus the majority that rules in a democracy is a "rather special kind of majority. It consists of a coalition of special interest minorities".

THE FUTURE

Having demonstrated the inefficiency of the government in economic sphere and the supposed threat to freedom that it poses, the Friedmans underline the need to eliminate restrictions and reduce the role of

government by suggesting a number of amendments to the US constitution. This programme of action amounting to a virtual revival of the much condemned free enterprise system will find very few supporters, specially in the developing countries Fabian socialism and democratic planning are not free from faults; but then, which system is? The inadequacies of state intervention cannot, in any way, remove the pitfalls of the free enterprise system which may be even more harmful. Only a comparative evaluation done objectively in a rigorous scientific manner can enable one to make categorical statements. This the authors do not do.

I do not see any prospect of the revival of the old free market system despite some recent developments in the UK, Sweden, France and the USA about which a reference has been made in chapter 10 The future course of action should be in the direction of plugging the loopholes which have been detected in the functioning of the government in the economic sphere. The problem can be tackled to a large extent if certain objective and preferably quantifiable criteria reflecting the general interest are evolved and scope for discretionary authority based on subjective judgment reduced. Project appraisal based on social benefit cost analysis has already given us some criteria. It is suprising that the authors have not made any mention of these despite their widespread use in the USA for quite some time. It is true that these techniques are not entirely free from shortcomings. But, given time, effort and the necessary will, improvements can be made and are being made. The future course of action should lie in that direction.

We have not been able to agree with much of what has been described in the book. However, it must be said that it is a very interesting book full of facts and arguments presented in a lucid manner. The book is written for the general public; the style is accordingly less rigorous than one would expect otherwise It deals with several side issues and makes a number of provocative statements By virtue of the persuasive style and scholarly treatment of their subject, the husband-wife team authors, one of whom won the Nobel Prize for Economics in 1976, succeed in producing an impact which is lasting. One is certainly wiser after reading this really readable book.

□

Book Reviews

Science and the Factors of Inequality
CHARLES MORAZE (with contributions by JAMES A. DATOR, AHMAD Y. AL-HASSAN, JOSEPH NEEDHAM, ANDRE K. OLODO, FEDERICO PANNIER, S.N. SEN and DEREK DE SOLLA PRICE). Unesco, Paris, 1979, pp. 273.

This UNESCO Volume, prepared under the leadership of the French historian, Professor Charles Moraze, is a penetrating inquiry into the nature of modern science, the dynamics of its evolution and development, and the factors that have led to the present unequal international distribution of both science and its benefits. It also provides guidelines for the directions that modern science must take in the future if it is to be a more constructive force for balanced, global human development.

This book belongs to a new revolutionary movement in the history of human thought This movement is of very recent origin. It began only in the second half of the twentieth century in the aftermath of World War II. The creation by rival super powers, over the past thirty years, of a destructive power capable of exterminating all of humanity many times over, has accelerated this movement. Its central thrust is to question why modern science, which over the past three centuries of its rapid development, had been idolised as the harbinger of an era of global prosperity and happiness for all, has itself become a powerful force for increasing the level of inequality and tension and makes possible a grave threat to the very survival of humanity.

Science and the Factors of Inequality provides us with a thought-provoking discussion and valuable insights into the following fundamental questions:

1. How has it come about that modern science is presently polarised around two sets of nations at the centre of which are the USA and the USSR?
2. Is the continuation of this trend of polarisation necessary for the further development of science?
3. Can this trend be reversed?
4. If not, how can the benefits of science be made available to the three quarters of the global population in the developing nations?
5. How did the diffusion of science and its benefits occur prior to the period of western dominance?

6. How important a role did the developing nations of today play in the historical development of modern science?
7. (*a*) What role did colonialisation and exploitative trade practices have in the arrest of cultures so dominated and exploited?
   (*b*) How did this limit the diffusion of modern science in the non-western world?
   (*c*) Consequently, what is the legitimate share of responsibility for the development of the non-western world that must be borne by the western world?
8. (*a*) How has one non-western nation, Japan, advanced to the frontiers of modern science while retaining its distinctive cultural identity.
   (*b*) What are the obstacles to similar advancement within the coming decades by India, China, the nations of Latin America, Africa and the Islamic world?
9. How did modern science become obsessed with material phenomena and, in particular, with the techniques of warfare?
10 Why have the sciences of animate phemomena, and, in particular, of man and his unlimited potential for synergic evolution, been chronologically the last to be incorporated into modern science?
11. How must modern science be redirected so that the logic of ethics and love, compassion and generosity become its central motivation?
12 How shall we develop a creative fusion of modern science with the wisdom and knowledge of the older civilisations?
13. How do we rechannelise modern science into its forgotten primary mission of promoting global fraternity and a just share of prosperity for all?

The revolutionary movement for the holistic redefinition and redirection of modern science which this book and others like it are facilitating would be greatly accelerated if the concepts of human brotherhood, the family of man, and a common world government find greater public support and practical political realisation. There is still time but the leaders in public administration of all the national divisions of humanity are faced with a critical choice They can accelerate the move towards the humanisation and reuniversalisation of science and an egalitarian distribution of its benefits under the auspices of a just international government or they can accelerate the present realities of super power rivalry, wars in the third world, polarised science, overconsumption for the few, underconsumption and malnutrition for the many, and probably, sooner than later, catastrophe for all

Let me now conclude this brief review of *Science and the Factors of Inequality* with the following words of Professor Charles Moraze :

....has modern science reached a point where in order to confront

the future properly it must return to the paths of exchange and rediscover a sensitivity alive to all that takes place in a world community in search of a new cultural order? ...The present inquiry as a whole will be directed towards this extremely important topic.

—JAIDEEP SINGH

Policies for Industrial Progress in Developing Countries
JOHN CODY, HELEN HUGHES and DAVID WALL (Eds.), (Oxford University Press, for the World Bank, 1980, pp. 316.

This book consists of essays on the issues that have to be resolved both in the initial stages and in the course of a process of industrial development. There are ten essays by twelve individual contributors, and as the focus of the book is on the decision-makers within the context of an official administrative system, the essays deal with the issues within the purview of specific ministries or departments. The subjects dealt with include the control of the private industrial sector, trade and financial policies, infrastructure and location decisions, the role of the public sector, and so on.

The book starts well, with the recognition in the introduction that industrialisation is critically connected with the overall development of a *national* economy. It also correctly points out that the experiences of the industrialisation process shows that the policies concerning industrialisation have played an important role in ensuring the success of an industrialisation effort. What one would therefore expect of such a book is that the succeeding essays would lay out the possible models or strategies of industrialisation thrown up by both historical and present day experience, and specify the tasks that were necessary on the part of a government which had opted for one of these paths. If the experiences of Britain, Japan, the Soviet Union, the countries of South East Asia and Brazil, and India, had been analysed and the general content drawn from these specific experiences, an extremely important book would have emerged. For then the administrator would have known the right type of response to a problem within the specific pattern of industrialisation that his country had chosen to follow.

Instead of this approach, we find that the discussion in all the essays involves an approach to issues which shows that only one possible path of industrialisation has been conceded by the editors and individual contributors. This is made clear by the editors in the later half of the introduction:

> Manufactures are generally more easily traded than other goods and services, and foreign exchange and trade policies are therefore the *key to industrialisation* (p. 9, emphasis added).

In other words, the key to development is *still* the growth of national

income, and it is only because manufactures are 'generally more easily traded than other goods and services,' that the growth of manufactures is at all to be encouraged. This is not a book of essays on industrialisation at all, therefore, but a book on how the manufactured articles that are produced within a country may best be exchanged on the international market, and how these articles may, in turn, be best manufactured within the country. For the contributors to this book, the troubling questions of whether the simple growth of national income, or the growth of industrial production, is really associated with the development of a country, are either irrelevant or discomforting, so best forgotten about, as both the passages quoted below show :

Thus :

> Consider, first, the impact of usury laws that impose an interest ceiling. Shakespeare's portrayal of Shylock is typical of the long standing view of the money lender.... The village money lender is seen as fattening himself by grinding the peasants' faces in the dirt. While there is an element of truth in these accusations, they are often caused not by any inherent inequities in money lending, but rather by the attempts to limit usury (p. 103).

and :

> Investment and pricing rules should be devised for purely entrepreneurial purposes for public enterprises which will operate in an otherwise market oriented economy, so that public enterprises will function as private enterprises would if they existed. However, where public enterprises are set up to achieve second best efficiency and equity objectives, the recent developments in what may be termed the 'welfare economics of imperfect economics' are most relevant (p. 221).

What is the relevance of statements such as these to an administrator faced with the problem of bonded labour on the one hand, or the plight into which some of our heavy industrial units have fallen on the other?

Unfortunately, however, most essays in the book are not straight forwardly as irrelevant or as ideologically loaded as the passages quoted above. In many cases, the argument takes place at a level of abstraction which is such that the administrator may not realise the specific context of the pattern of growth of manufacturing output to which the recommendations are perhaps appropriate, though even here only on the easy assumption that development implies the growth of national income. This specific context of growth is, of course, the one variously known as the export oriented growth model, the Brazilian model, or the South Korean or Singaporean model.

All the essays pose the problems in the context of this single kind of growth model; and it is only the prose style of the contributors which may lead to the impression that high policy issues have in all seriousness been

tackled and discussed. Any serious administrator faced with the real problems of development in a developing country is well advised to leave such do-it-yourself manuals alone.

For what causes disappointment, and the apprehension that this may be a dangerous manual, is the extreme frivolity with which any problem which is beyond the imagination of a contributor to understand and analyse, is written off in specious phrases such as 'national pride,' 'vested interests favouring tariff protection' and so on. The only essay which it is possible to recommend is the one by David Lim of Monash University, on Taxation Policies Lim keeps away from ideologically based assertions, and the confining himself to the effects of different kinds and rates of taxes on 'micro-economic' behaviour, avoids putting forward proposals which assume that 'macroeconomic' growth can take only one form.

—NASIR TYABJI

The New Politics of Human Rights

JAMES AVERY JOYCE, Macmillan, London, 1978, pp. 305, £12.00.

The denial of human rights is one of the immediate crises facing the world, along with the crisis of energy and environment and of the possibility of a nuclear war. In fact, in some senses, human rights violations warrant predominant attention as scarcity of world resources has manifested itself in newer, and perhaps crueller, ways of human torture Similarly, the effects of the deteriorating environment have been felt tellingly by the poorer and the less privileged sections of society. Only a nuclear holocaust, fortunately, makes no distinction between the rich and the poor, at least not so far.

Joyce's study is interesting and puts on record a number of interesting facts. He traces the history of the campaign for human rights, giving special attention to the role of the United Nations and its agencies and taking the Universal Declaration of Human Rights, proclaimed by the UN General Assembly in 1948, as some sort of a beginning, perhaps, a new beginning.

Joyce also analyses the state of the world since 1948, quoting specific incidents of human rights violations, and the reactions they evoked throughout the world. Successes and failures are discussed with equal candourand the effort, more than the campaign, is depicted in reasonably realistic terms.

An attempt is made to update the application of the notion of human rights and an interesting discussion regarding the rights of privacy, knowledge and death ensures Can one claim, as a part of one's fundamental human rights, the right to be free from surveillance, the right to information relevant to the happiness of an individual and the right to choose between life and death for oneself, especially when one is terminally ill?

Similarly, the implications of test-tube babies, or of genetic or organic implantations, on the question of human rights are also considered.

Some of the existing and possible measures, institutional and individual, which might help the promotion of the human rights cause, are evaluated and an interesting issue, regarding the individualisation of the campaign, is made, although somewhat tentatively.

Many of the questions the author raises are interesting, and some quite important, the political and economic factors, in various countries, both inhibiting and promoting the observance of human rights, are also discussed.

Though some special attention is paid to the third world, in the sense that a separate chapter is dedicated to the discussion of the attitudes about and within it, one cannot but help see an occidental bias, perhaps unconscious, implicit in this and other parts of the book.

Joyce talks of torture and atrocities, but mainly about African and Asian regimes. There is only one passing reference to Vietnam and British atrocities in Ireland, for example, get a relatively sympathetic mention.

Joyce, perhaps somewhat naively, says · "Happily, . even winners are developing more concern for the feelings and the needs of losers "

He goes on to say: "For instance, in Washington, human rights considerations have recently become an integral part of the process by which the United States allocates aid to other countries."

This, inspite of Iran, South Korea and Chile and, more recently, Pakistan!

Apropos South Korea and Chile, he offers them as instances of the 'winners' concern for the losers, saying . "A ceiling of $ 145 million was placed on aid to South Korea during 1974 because of alleged human rights violations within that country. In the same year, a limit of $ 25 million was placed on military assistance to Chile ."

Can two pats on the back, instead of three, be a deterrent?

Naivete apart, Joyce ignores the most fundamental question regarding human rights · what happens when the choice is limited to the human rights of one group or those of another? Third world countries, in which he takes so much interest, are constantly being faced by this dilemma The human rights of the hoarder, the black marketeer or the money lender, all operating within and contributing to a system that is economically too weak to fight them, in a strictly legal sense, and those of the masses who starve and are allowed to be tortured by the elements.

The author neglects the analysis of power-bloc politics: representing support for repressive regimes and the using of food and humanitarian aid as tools of neo-colonialism.

The study also suffers from a lack of conceptual analysis : Joyce not really telling us, beyond quoting the Charter, what he means by human rights. Does he, for example, think human beings have a right to an equitable share of the world's resources? He sees the possibility of 'the sovereign state yielding to the sovereignty of man', but what of the conflicts, then, between man *qua* man and man as a member of society?

—SHEKHAR SINGH

Forecasting : An Appraisal for Policy-makers and Planners
WILLIAM ASCHER, The John Hopkins University Press, Baltimore and London, 1978, pp. 239.

William Ascher's volume, Forecasting: An Appraisal for Policy-Makers and Planners', is a significant contribution in the area of public and private policy-making In this study he examines, over a fifty-year period, the empirical records of expert forecasts of (US) national trends related to policy issues concerning population, economic growth, transportation, energy demands, and resources.

The book adequately demonstrates the success or failure of past forecasts and the methods used for them While analysing the relationship between methods and results, Ascher identifies factors associated with greater accuracy as well as with systematic biases Though sophistication in techniques and methodologies, like the computer-based models, are important in forecasting, he emphasises that the core assumptions concerning the broad context are relatively more important and many times comparatively simpler methods may give more accurate results if the core assumptions are realistic.

Forecasting plays a central role in all social and economic planning not only because it determines how vast physical resources and money would be spent but also prompts the commitment of national policies far into the future. Yet the policy-maker has no method to know how to judge the reliability of forecasts and whether their accuracy is increasing over time. "The challenge facing a policy-maker is to decide whether and how to use the projections supplied by forecasting specialists, in light of the problematical nature of forecasting. Policy-makers continually use forecasts. Whether they use their own informal, rule-of-thumb projections or the forecasts provided by specialists depends on how well they can appraise these expert forecasts."

The author diagnoses the reasons for bad forecasts and projects the modes and performance of forecasting in the future. The specific problems encountered to each forecasting area included in the study are covered in individual chapters. The general problems, the author believes, are around one central difficulty of providing good core assumptions, the most crucial requisite of accuracy, and discusses them in the last chapter 'Conclusion'.

Serious students of policy research and other dimensions of the policy process will find the volume interesting and useful The non-specialist users of the book would get a fair idea of the use and limitations of forecasting methodologies.

—J. C. KAPUR

Anticipatory Democracy—People in the Politics of the Future
Ed. CLEMENT BEZOLD, New York, 1978, pp. 405, $ 12.95.

The two crucial problems that endanger the very stability and survival of our political system today are lack of future-consciousness and lack of participation; which anticipatory democracy as a process "for combining citizen participation with future consciousness", seeks to resolve.

The term 'Anticipatory Democracy' was first coined by Toffler, who set in motion a very wide and rich variety of experiments "attempting to incorporate both a conscious orientation toward the future and the active participation of the citizenry". The origin of this book can be traced to the committee on anticipatory democracy formed in 1975 by Toffler with the aim of spreading anticipatory democracy groups. Most of the contributors to this book belong to this committee of over fifty futurists, professional planners and future-oriented citizens. The movement addresses itself to the problems of the future and tries to visualise how things would be in the years ahead.

The most striking part of the book is, of course, Toffler's introduction. Here Toffler not only spells out the aims and objectives of the movement but also reasons the need for anticipatory democracy. According to him "Anticipatory Democracy also compels us to ask how, when, and by what process today's increasingly obsolete constitutions must be rewritten. It forces us to ask how the Bill of Rights must be expanded to fit the needs of the new civilization".

The book is divided into seven sections. While Section I deals with 'Anticipatory Democracy in Cities, States, and Regions'; the theme for Section II is. 'Anticipatory Democracy and Legislatures'; Section III deals with 'Anticipatory Democracy in Policies and Programmes' whereas Section IV is devoted to 'Anticipatory Democracy in the Workplace', Section V discusses at length the concept of 'Anticipatory Democracy in Citizens Movements'; Section VI is about 'Anticipatory Democracy Techniques'; while Section VII sums up 'The Future of Anticipatory Democracy'.

Chapter fifteen (Section VI) which deals with 'Social Technologies of Freedom' deserves special mention. Here an attempt is made to find systematic as well as effective tools and techniques that could be put to use in designing an anticipatory democracy process Also the variations and combinations that are likely to emerge are discussed at length. Some interesting issues that are raised in this chapter are questions like the number of people that are to participate and at what level and for how long? The kind of knowledge and interests the participants should possess. Whether the anticipatory democracy process should make decisions for direct implementation, give advice to decision-makers, or educate the public about the issues. An important conclusion reached here is that "Professional planners often feel threatened by the thought of greater public involvement in the making of plans. The detail in a plan from a planning department usually far exceeds

the conclusions from a public process. But the planners are often out of touch with the feelings of the people". Hence the need for creating a partnership between the planners "and those for whom the planning is done". This is too true, but how and through what types of institutions?

Chapter eighteen (Section VII) which speaks of 'The Deeper Implications of Citizen Participation' warrants special mention too This essay tries to assess the potential as well as the resultant stresses and strains that would be born from a serious pursuit of anticipatory democracy. "The way we presently understand the world and the way we think about it do not and cannot produce an approach to decision-making that is both anticipatory and democratic". It is rightly pointed out that the first task of the reader of this book and of other such writings "is to determine if it is enough to add anticipatory democracy techniques to our present style of government or whether we must hasten the transition between the industrial era and the communications era. . "

Similarly the concluding chapter of the book which deals with the future of anticipatory democracy raises a number of questions like the directions the anticipatory democracy movement should take. How to encourage individuals and groups to explore alternative futures with an open mind, rather than making choices and decisions on the basis of a single or implicity assumed future? How can anticipatory democracy processes be utilised in developing a wide range of alternative policies, as well as in examining the long term impacts of those policies? How are citizens to be educated about the range of choices and encouraged to state their preferences in meaningful ways? How can anticipatory democracy processes include the minorities and the disenfranchised parts of the community? Can those who currently hold power learn to be open to a future that is different from the situation through which they first gained power? A host of thought provoking questions are thus raised.

This book compels us to think about the future. Though it is too short a period now to judge the impact of a movement of such dimension and scope, for anticipatory democracy is still in its evolutionary stage, much more is expected of it in the future. It definitely is a movement work watching

—SUJATA SINGH

The Futurology Workshops, 1976-79
NCST Panel on Futurology, Department of Science & Technology, Government of India, 1980, pp 78 (mimeo).

The Government of India set up a panel on futurology in mid-1973 under its department of science and technology. The panel, in an interim report, identified nine strategic areas and prepared scenarios with 2000 AD as the

focus and presented the likely and desired future perspectives and available options in these fields. The panel's interim report was published in 1978 but it does not seem to have provoke much enthusiasm, probably because, to the Indian public, the present is too much with them to let them turn their thoughts to the future.

Undeterred, the panel has gone forward with its work and the brief publication under review is the result. Here the activities of the several workshops held by the panel during 1976-79, *i.e.,* before and subsequent to the interim report, are described. These workshops, as the publication says, were of two types: 'awareness workshops' and 'thematic workshops'. They were organised mostly in collaboration with private organisations that showed some interest in the field of futurology/future research. Indian universities, the national laboratories and similar others were also co-sponsors Agencies of the Central Government like the NCERT and those of the State Governments such as the futurology panel of Maharashtra also came forward to sponsor the workshops.

The objective of the workshops, in detail, are several but the most important, obviously, is to create an awareness among the public of the future, especially in those areas where forecasting needs early corrective and anticipatory action. The immediate group of beneficiaries of the workshops are, therefore, administrators, managers, planners, and policy makers.

Between the two types of workshops, 'awareness' and 'thematic', the latter are naturally the more interesting as their proceedings give glimpses of, what ought to be, a serious approach to tackle future problems. The standards, we may concede, are far from uniform; the recommendations range from fanciful flights to terse comments. The workshop on 'Materials in the Future of India' had apparently bitten off more than what it could chew. It innocently calls for long term goals, upto 2000 AD and beyond (with a single minded devotion) to produce 100 million tons of steel, 120 million tons of cement and 5 million tons of aluminium In one sweep this workshop also wants to "distribute the ownership and use of materials uniformly in all sections of our population". Much more is there but let that not detain us. The workshop on 'Futurology on Use of Chemicals in Agirculture with Particular Reference to Future Trends in Pest Control', at the other end, goes down to such details as the use of neem products (chemicals?) for pest control and calls for their ready-to-use formulations. The unit on 'Higher Education' goes again back to fanciful figures of education and asserts that India should aim at hundred per cent literacy by 2000 AD. The textile industry panel, of course, lauds the government policy to freeze the existing loomage in the mill sector and produce the entire additional textile requirement in the decentralised sector, but immediately takes back this compliment saying that it has serious doubts about the achievement of this objective "unless the mill sector is encouraged to play a very active role to promote decentralised textile production"; and, thereby, does it forecast a wholesome transformation of

have no control. The democratisation of the decision-making process on international economic matters has not taken place

The report of the Commonwealth Group of Experts reinforces the conclusions of other analyses, such as the Brandt Commission, that the world economy faces a crisis of unparalleled dimensions; balance of payment problems of a magnitude hardly conceivable a few years ago; slow-down in world economic activity and growth; simultaneous growth of unemployment; idle capacities; and double digit inflation.

The combination of these separate adverse factors results in grave problems for the world at large However, the negative trends in the world economy have most markedly manifested themselves in the very low rates of growth in respect of the low income countries. The developmental prospects of the developing Commonwealth countries of Asia and the Pacific have receded, and the low income countries among them face a nullification of their efforts at social and economic progress with the consequent implications for their political stability. The particularly vulnerable position of the oil importing developing countries results from, and in turn gives rise to, the profound asymmetry in the qualitatively different impact on the economies of these countries and the developed countries This fact needs to be recognised and requires adequate response by the international community. Such a response will include not only mechanisms for improving the balance of payments deficits of the oil importing developing countries but also provision of financial support to them on an adequate scale for carrying out the requisite structural adjustments in their economies over the medium term.

ISSUES FOR NEW APPROACHES

As brought out by different objective studies, the issues for the 1980s would be · the implications of the energy transition, new approaches to development finance covering balance of payments, issues as well as problems of indebtedness; protectionism and the re-deployment of industry, inflation, food security, environment; and the intensification of economic cooperation among developing countries Apart from the growing interdependence amongst nations, there is also the increasing interrelation between problems. For, almost in no key area of concern—whether it is energy, finance, protectionism, trade, raw materials—are adequate solutions possible for any given sector without consequent implications for other sectors. It is this new interlocking nature of the problems and the package approach to their solutions which emphasise the shared responsibilities for international development on the part of all groups of nations and thus reinforce further the inherent rationale for greater and more effective cooperation at the inter-governmental level during the eighties

There are several implications of the energy transition. What is more, these are profoundly asymmetrical as they arise from the present disparities among developing and developed countries in their use of oil, the relatively greater scope for conservation of oil by developed countries and greater technological and other abilities of the developed countries to develop alternative sources of energy. The recommendations of the Commonwealth Group of Experts in regard to development of energy potential, measures for enhancing energy conservation and working out of a global energy policy, need to be implemented urgently taking into account the above-mentioned asymmetry.

As rightly pointed out by the Commonwealth Experts, the financing of balance of payments deficits of oil importing developing countries will be a critical issue, particularly in the 1980s The massive and continuous oil price intreases with oil prices rising by 125 per cent from the end of 1978 to the first quarter of 1980, has already very seriously affected the balance of payments position of these countries The aggregate current account deficit of the non-oil developing countries would rise from US $ 36 billion in 1978 to US $ 68 billion in 1980, rising further to US $ 78 billion in 1981. Moreover, recession in developed countries and new protectionism would restrict the ability of developing countries to increase

their export earnings and thus compound further their balance of payments problems.

It needs to be underscored that the relatively smooth adjustment of the world economy after the 1973 oil price increases cannot be expected to be repeated in the present situation. The private international capital market played a major role in recycling surplus funds at that time, with the IMF and other official institutions playing a very modest role in this process The net external assets of oil exporting countries, according to IMF, are expected to increase from some US $ 190 billion in 1978 to over US $400 billion at the end of 1982. There are, therefore, widespread apprehensions about the capacity of the international capital market to cope with this mounting volume of funds requiring recycling Moreover, a major share of recycling to non-oil developing countries was concentrated in the past to a limited number of countries, whose increasing external debt position may limit their ability to borrow further. Secondly, low income countries cannot afford to borrow on commercial terms to finance their balance of payment deficits Hence, the new and pressing urgency of a significant augmentation in the resources of international financial institutions, *as well as of devising new institutional modalities Indeed, one of the main conclusions* reached by the Commonwealth Group of Experts is precisely this need for greater cooperation at the governmental level in the financial sector, given the inability of any one country, or group of countries, acting alone, to provide adequate solutions CHOGRM-II should pronounce itself in favour of the scheme regarding 'joint guarantees' and the evolution of a world development fund, mentioned in Appendix 1* of the Report of Commonwealth Experts

It should be stressed that recycling of funds to developing countries is required not only to enable the economies of these countries to survive, but to assist in sustaining and in raising the level of global economic activity. As the Brandt Commission Report notes, if the developing countries outside OPEC had cut their imports of manufactured goods to meet the increased oil prices of 1973-74, there would have been 3 million more unemployed in the OECD countries By maintaining their trade in manufactured goods with the newly industrialised countries alone, the developed countries have gained on the average 900,000 jobs in each of the years 1973 to 1977. The role of developing countries in maintaining a high level of world economic activity is even greater today, given the domestic recessionary conditions, and restrictive policies obtaining in most developed countries

At the same time, however, given the limitations of both private capital markets in providing recycling on the same scale as in the past, as well as the growing debt burden of developing countries to borrow on commercial terms and conditions, there is a need to devise new mechanisms for providing funds on appropriately concessional terms and conditions A specific measure requiring urgent consideration is to subsidise the effective rate of interest payable on loans to low income countries While the many least developed countries of the region may require outright grant terms, other low income countries, need to be provided with highly concessional terms through the use of an interest subsidisation mechanism

Over and above the immediate problem of providing balance of payments support to maintain their level of economic activity and to carry out their modest development plans, low income countries need very substantial additional assistance to enable them to carry out adequate medium term structural adjustments in their economies This would require a greatly increased flow of resources to develop their energy potential A substantial flow of additional funds would also be required for other projects in the fields of essential infrastructure such as transport, power and communications as well as in augmenting their export capacities.

Thus, in the context of balance of payments problems and the need for structural adjustments, the three proposals made by the UN Secretary General in July 1980 regarding

*Not included here—Ed.

the call to the IMF and the World Bank to enable increased assistance to finance the current balance of payments deficits of all oil importing developing countries, immediate establishment of a US $ 5 billion fund for additional assistance for low income countries for the year 1981 and an immediate increase in the volume of investment for exploration, development and exploitation of energy potential in developing countries deserve an urgent and sympathetic consideration by the international community.

INTERNATIONAL TRADE IN THE EIGHTIES

Trade policy matters will continue to be a main pre-occupation of the 1980s for the entire international community. CHOGRM-I had noted the fundamental importance of freer international trade to economic development and had stressed the importance of more access for agricultural products to the major consumer markets Heads of Government had then expressed their concern over rising protectionism in the industrialised countries against manufactured goods which countries of the CHOGRM region were well-equipped to supply. It needs to be stressed that the developing countries of the region are significantly dependent on exports of primary goods. For instance, the share of primary commodities in the total exports of Fiji during the years 1970 to 1976 was 97 per cent, of India 54 per cent, of Malaysia 87 per cent, of Singapore 63 per cent, of Sri Lanka 93 per cent Even among primary commodities it is generally one or two commodities which have a large share in the exports of individual countries. This heavy dependence on primary commodity exports, and especially on a few primary commodities, has led to their extreme vulnerability in international markets It is, therefore, necessary to take steps for the stabilisation of primary commodity prices at remunerative levels. It may be mentioned that little progress on agricultural products was achieved in the Tokyo Round and a determined effort in this direction is needed

In respect of processed and manufactured goods, there is considerable potential for the low income countries of South Asia. to increase their exports of commodities like textiles, clothing, footwear and leather products It has been estimated that out of the total exports of these commodities of the developing countries, which are placed at US $18 billion, the countries in South Asia accounted for only US $2 billion The present tariff and non-tariff structure is, however, loaded against the growth of such exports. There are very low rates of tariff, and practically no non-tariff barriers for industrial raw materials like ores and fibres and escalating tariff barriers in accordance with the degree of processing of raw materials Even more important, there is growing resort to non-tariff barriers after placing absolute ceilings on the volume of exports There is need to reverse this ominous trend towards a 'new protectionism' through the non-tariff measures described as 'voluntary export restraints' and 'orderly marketing arrangements', etc Such arrangements which were considered temporary remain in operation even after the Tokyo Round. What is worse, certain commodities mentioned above, like foot-wear and textiles, which are crucial for the foreign exchange earnings of developing countries, have been made exceptions in the tariff cutting formula of the Tokyo Round It is essential that the discriminatory quantitative restrictions regime against exports from developing countries, like the Multi-Fibre Agreement, should be dismantled and free access for textiles exports of developing countries be ensured. Another major area in which early progress is needed is the issue of 'safeguards'. There is also a need for institutional reform of the GATT machinery which is not well-equipped to deal with non-tariff measures It should be reiterated that developing countries are not the only ones that will benefit from the reduction of trade barriers. Protectionist measures seriously injure the developed countries themselves The report of the Commonwealth Group of Experts notes a recent study which shows that the effects of protectionist measures imposed by the United States of America between 1975 and 1977 resulted in extra costs to United States consumers of US $ 600 million for sugar, US $ 125 million for pharmaceuticals and US $ 500 million for television sets. These are indirect and immediate cost. In addition

there are indirect effects resulting from misallocation of domestic resources to less efficient sectors at home

As mentioned in the report of the Commonwealth Experts, the recent studies do not confirm the view that unemployment rates in developed countries are highly sensitive to competition from developing countries While positive adjustment policies need to be adopted, safeguard action should be permitted only under limited and clearly defined conditions and needs to be linked with the former.

The inflation problem will continue to be intractable during the 1980s While one can differ about the causes of the acceleration in inflation, no one can deny its harmful effects on growth—both direct and indirect. However, the current response of individual industrialised countries to the spectre of inflation in the wake of the recent oil price increases, is to follow highly restrictive demand management policies in an uncoordinated manner, which may aggravate the problem and lead to a global recession instead

For the countries of the CHOGRM region, where populous low income countries are located, particular attention would have to be given in the 1980s to food problems Adequate arrangements for provision on a concessional basis of fertilisers and pesticides to low income countries in CHOGRM region and assistance for augmenting irrigation facilities would help these countries in achieving self-sufficiency in food.

Another important issue for the 1980s would be the harmonisation of the objectives of environmental improvement and economic development Environmental management should be made an integral part of the development planning process and mutual exchange of experiences in this important field should be encouraged. The inter-relationship between natural resources, population, development and the environment is nowhere more relevant than in the CHOGRM region

With greater maturity developing in international relations, the thinking during [illegible] 1980s can be expected to shift from the political plane to the economic plane [illegible] itself is likely to place accent on economic and technical cooperation The [illegible] developing countries in the international economy is growing They have [illegible] able political will to strengthen their cooperation with a view to increasing [illegible] self-reliance and to improving their bargaining power in their negotiations [illegible] with the developed countries The developed countries themselves [illegible] support to this movement Functional economic cooperation among [illegible] needs to be actively encouraged and supported In respect of [illegible] among countries, members of CHOGRM should certainly [illegible] in the ESCAP input for regional development strategies for [illegible]

Apart from the specific matters that have been referred [illegible] assuming serious proportions is the recession in the spirit of [illegible] ominous move in many developed countries seeking to [illegible] is dangerous in its implications not only for the future of [illegible] political stability and durable peace as well. The need [illegible] nomic problems, involving shared responsibility [illegible] concerned parties, should be reiterated by CHOG[illegible] approach should be informed by a recognition of [illegible] developing countries in the impact of world [illegible] to devise appropriate and adequate measures [illegible] developing countries, low income countries [illegible] Special Session of the General Assembly [illegible] cess, reinforce the awareness of mutuality [illegible] by the member [illegible] United Nations [illegible] economic prob[illegible]ible initiatives [illegible] encouraged.

A GRIM SCENARIO

To sum up, the present world economy presents a grim scenario, with a dangerous slow-down in output, a high rate of inflation, a deceleration in world trade and a consequent acute impact on the balance of trade and payments position of oil importing countries. The net oil importing developing countries with low per capita incomes are in an acutely difficult situation faced, as they are, with both the direct impact of the massive oil price increases, along with its effect through a rise in the cost of their manufactured imports, as well as a reduction in the demand for their exports in the markets of developed countries. The combination of these factors not only places in jeopardy their hopes of achieving agricultural and industrial progress and a rapid increase in their per capita incomes, but threatens the very survival of their economies unless adequate and effective remedial measures are forthcoming Such measures need to be directed not only to assist in their immediate balance of payments problems, but also to enable them to make medium-term structural adjustments.

Moreover, it has been stressed that, the principal international economic problems confronting the world today are interconnected, with viable solutions in any given sector requiring parallel action in others As the same time, no one country, or group of countries, developed or developing, can resolve these issues in isolation This is the logic of a coordinated examination of the major issues through a meaningful dialogue between all concerned parties The proposed Global Round of Negotiations, whose agenda, procedure and time-frame will shortly be under discussion at the Special Session of the UN General Assembly, can hopefully, provide an appropriate forum for such an exercise. For this forum will enable all concerned countries, developed or developing, regardless of economic or social systems, to consider the components of an international action programme in the principal areas of common concern.

The international community should spare no ingenuous efforts to get North South dialogue out of its present morass All possible initiatives and approaches that result in concrete agreement and build confidence among nations needs to be encouraged. For agreements to be effective, the decisions must be based on consensus and at the same time these must result in necessary structural changes addressing themselves simultaneously to short, medium and long-term requirements.

CHOGRM-II, representing more than one-fifth of mankind, spanning an entire hemisphere, and bringing together countries at various stages of economic development, constitutes an almost unique gathering. It thus has a particularly relevant role to play in articulating its concern that the international community, and developed countries in particular, should shape order from contradictions, pin-point new responsibilities, realise mutuality of interests, understand the urgency and inter-relationships among problems and hence the need for the international community to adopt concerted and mutually consistent measures in a time bound manner including, wherever necessary, new rules of the game and codes of conduct as much for governments as for economic enterprises.

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Document 2

Alternative Development Strategies and the Future of Asia

[United Nations Institute for Training and Research (UNITAR) held an International Conference on 'Alternative Development Strategies and the Future of Asia' in New Delhi in March 1980 under the sponsorship of Jawaharlal Nehru University, Jawaharlal Nehru Memorial Fund, Gandhi Peace Foundation and Public Enterprises Centre for Continuing Education (PECCE).

The Conference set up five working groups, each entrusted with the task of considering the papers on specific topics allotted to them and preparing their reports, including recommendations The five group reports under the respective titles are given below]

Group I : Industrialisation and Development of Asian Countries

The countries of the third world including those of Asia have been undergoing a slow process of industrialisation for some time with the pace being somewhat accelerated after the conclusion of the second world war This period has seen most countries of Asia becoming free of imperial political control However, the snapping of the colonial link has not meant their full independence, it has merely replaced an overt political link with a new pattern of subordination to the economies of the former metropolitan powers

This subordination is seen quite clearly in the patterns of industrialisation that have taken place so far Most countries started with import-substitution industries catering inevitably for the consumption needs of their elites, when the narrow limits of this domestic market, determined by the low levels of income of the masses, prevented the further expansion of such industries, they turned towards a policy of export-oriented industrialisation. Here it must be noted that this was not entirely a decision fully in the interests of even the ruling elites, international capital, faced by crises and rising wages in their home countries, were looking for manufacturing facilities in cheap labour markets, another factor that aided this process was the development of technologies of production and control that permitted international capital to break up production into units manufactured in factories sited in different parts of the world This conjuncture took place under the sponsorship of international agencies and there emerged an alliance of international capital operating mainly through trans-national corporations and the ruling bourgeosie of Asian countries which carried through, in many of them, a process of dependent industrialisation. It was argued within these countries that access to the world market and the technology necessary for the production of goods acceptable to that market could be obtained only through the TNCs and that foreign capital was also necessary to supplement the small local accumulations

The countries of Asia are now at varying stages of this process and this has resulted in different groups of countries being at varying levels of integration into the world capitalist economy. Some countries have been for some time pursuing policies of export-oriented industrialisation and are locked firmly into the system Others are entering this phase now. The only countries of Asia which have not become a part of this process are those which are in a stage of transition to socialism.

The group examined the results of this phase of industrialisation in many countries, paying particular attention to the experience of countries which are often held up as models of industrial development While recognising that a certain development of the productive forces had taken place, the group noted, among others, the following results :

(*i*) the domination of the industrial sector by foreign capital, causing often a divergence between national objectives and those of the industrial sector,
(*ii*) the proliferation of industries that are labour-intensive, low in the level of techno logy and are hazardous to the environment;
(*iii*) the use of resources to produce goods for the world market and the country's own elite consumption needs and consequently, the withdrawal of such resources from activities that would satisfy the basic needs of the masses.
(*iv*) the inability of these countries to develop a basis for self-reliant technological growth and the perpetuation of a relationship of dependency in the sphere of technology;
(*v*) increasing levels of oppression of labour, particularly women and children;
(*vi*) growing inequalities in the distribution of wealth, and
(*vii*) the virtual extinction of the trade union rights of the working class, the steady erosion of the democratic rights of the people at large and the establishment of authoritarian forms of government when the exploitation of labour in industry and agriculture becomes so severe that it cannot be carried on under democratic forms of government.

The group also noted that this pattern of industrialisation, being externally oriented, lacked any structural connection with the agricultural sector of these countries and had in fact contributed, in many instances, to a decline in agriculture; the necessity to secure wage-labour for the industries and the need to keep such wages at a low level has often compelled the state to depress prices for agricultural products

The group noted that the chief instruments of international capital were the TNCs and that their activities have exerted a tremendous influence not only on the industrial sector of many Asian countries but also on their social, cultural and political structures as well In considering the nature, characteristics and impact of TNCs, the group saw the following main features :

(*i*) TNCs are engaged in Asian countries in extractive, import-substitution and export-oriented industries;
(*ii*) they operate in the form of wholly owned subsidiaries or joint ventures with the indigenous bourgeoisie and, increasingly, with the state sector. Even in cases where they hold a minor share of the equity, they are able to enjoy total control over the enterprise through management, the ownership of technology and access to markets. In fact equity ownership is no longer relevant to control, and proposals for the dilution of equity supposedly in the national interest serve merely to transfer resources of the host country to the TNCs and create a vociferous support base amongst urban petty bourgeois sections;
(*iii*) the alliance between the indigenous bourgeoisie and the TNCs has an impact on the configuration of class forces in the host country;

(*iv*) TNCs have grown very powerful and are often able to exert pressure on the political systems of the host country, they have been able to obtain guarantees for the security of their investments and have often found it possible to bend to their own interest laws and regulations such as on pollution control, and environmental conservation; and

(*v*) there is an increasing relationship of mutual support between TNCs and international agencies like the Ford Foundation; sometimes TNC entry occurs under the aegis of such influential international institutions.

The group also focussed its attention on free trade zones (FTZ) which have been established in a number of Asian countries as an element of the package of incentives designed to attract foreign investment to these countries It was felt that FTZs, should be seen as an integral part of the policies aimed at opening the countries of the periphery to TNC penetration. The following characteristics of the FTZ strategy were noted by the group :

(*i*) though beginning as enclaves in limited areas, the concept gradually extends to cover the whole country; in any case such investments have their effect on all sectors of the economy,

(*ii*) although most industries established in such zones may be labour intensive, they are capable of easy transfer to other sites if labour costs were to rise; in fact some of the equipment may have been rendered obsolescent in the metropolitan countries by rising wage costs;

(*iii*) the operations of these industries is generally characterised by a fragmentation of the process of production; what is produced in one FTZ may only be a component of a product that will be assembled elsewhere No technology transfer takes place in such FTZ production, and

(*iv*) while the FTZs established earlier drew investments from the advanced industrial countries, late-coming FTZs appear to be attracting labour intensive industries from areas which are shifting to relatively more sophisticated industries

The group felt that the process of export-oriented industrialisation culminating in the FTZ concept has some serious implications for the social and political structures of the host countries. It noted the following for particular emphasis .

(*i*) the competition among Asian countries to attract foreign investment and to establish FTZs offering ever more generous incentives, has considerably reduced their bargaining power *vis-a-vis* the TNCs;

(*ii*) the demand of the investors for cheap docile labour leads them to exploit the subordinate status of women in these countries resulting in the preponderant employment of girls and young women; conditions of work are such that many of them are rendered unfit for further work after a few years; safety at work is neglected Trade unionisation is discouraged either by law or by other pressures; this has led to the growth of an unorganised and exploited working class with no bargaining rights Though these conditions may at first be restricted to the FTZ enclaves, they are likely to permeate very quickly the entire industrial relations system of the country, and

(*iii*) the demands of investors for political stability may lead to the grant of constitutional and other legal guarantees against nationalisation; it may also lead to the suppression of labour unions, the working class in general and all forms of political dissent Indeed the political imperative of export-oriented industrialisation appears to be authoritarian regimes

The group did consider the possibility of using TNCs to the advantage of Asian countries

since it was felt that, in the context of the present international system, they had a role to play at least in the diffusion of technology. However, the group concluded that they could be beneficial only when the host country possesses the following : the political power and will to select, in the national interest, the areas in which they would be permitted to operate; to oversee carefully their adherence to stipulated conditions; and simultaneously, to invest proportionately in indigenous research, development and training so as to assimilate this technology and upgrade it suitably.

Considering all these factors and examining the experiences of various countries, the group came to the conclusion that the process of export-oriented industrialisation through the agency of the TNCs has not been successful in furthering the economic development of these countries and has, indeed, been actually inimical to it. These countries have seen the growth of an increasingly inequitable system of distribution of wealth, greater exploitation and immiserisation of the masses of people and the evolution of non-democratic regimes. The group also saw a connection between this process of industrialisation and the increasing militarisation of several countries and the growth of the concept of 'disciplined' societies. It was also noted that the process involved not only the transfer of hard technologies but also a package of ideas and practices in the management and manipulation of people in the interests of the foreign owners of capital, and their local allies.

Looking into the future, the group felt that the inherent limits of export-oriented industrialisation would soon be reached. There is a rising tide of protectionism in the advanced countries which are the markets for these products Just as the internal market has inherent limitations due to the class nature of their societies and the consequent patterns of unequal income distribution, so also have international markets which are under the control of TNCs It was felt that soon the initial spurt of industrialisation based on exports would experience a slowdown leading to a possible stagnation; more so in a situation of crisis in advanced capitalist countries brought about by working class militancy.

This perception of the failure of the process of export-oriented industrialisation led the group to an examination of the very objectives of industrialisation and of the class forces in Asian countries that influence such objectives The group felt that a genuine process of industrialisation geared to the needs of the people of Asian countries could be launched only through a realignment of the leading class forces resulting in a redistribution of income and assets among them on the basis of which a production pattern suited to their consumption needs would emerge. Such a production pattern and its manner of organisation would be determined by the broad mass of the people and would favour the production of goods basic to the needs of the entire community; it would ensure development in all regions of the country and would not impoverish rural areas in favour of urban; it would eliminate the dehumanising and alienating effects of industry on men and women and end the exploitation of all labour including discrimination based on sex; it would optimise the use of indigenous resources and would be based on a conception of self-reliance; it would also be integrally linked in a mutually supportive relationship with the agricultural sector and it would be in harmony with the environment

Convinced that it would be the internal dynamics of these societies that would determine when they launch out into such a programme of industrialisation, the group looked at the class relations of Asian countries in general. It saw that at present the dominant position was held by a 'relatively strong' class of merchant and industrial capitalists who had, in varying degrees, entered into an alliance with international capital from a position of weakness It was indeed the inability of this class to carry forward a process of growth leading to the development of the country's productive forces that enabled foreign capital to play such a role The group also found that in some countries, capitalist development had reached a point where a differentiation could be made between the big capitalist class which favoured an alliance with international capital and smaller capitalists who, because of their size, had differences with both big domestic capital as well as international capital However, taking the general overall considerations into account, the group felt that this

capitalist class could not lead or carry out a genuine programme of industrialisation Such an attempt could take place only under the leadership of the working class and the poor peasantry allied with those of the bourgeoisie who were willing to accept this leadership

The discussion of the general class relations of Asian countries in the specific process of industrialisation led the group to see three broad categories

(*i*) countries which were in the process of transition to socialism
(*ii*) countries where the bourgeoisie has taken control of the process of industrialisation and had used the state to further its economic and political interest, and
(*iii*) countries where processes of industrialisation are dominated and directed by international capital

Looking at the processes of industrialisation in these three categories, it was observed that the broad goals of the first group of countries could be described as follows

(*i*) the removal of mass poverty and raising the material and cultural levels of life,
(*ii*) the establishment of a self-reliant economy free of the domination of international capital;
(*iii*) raising the technological level with a choice of technology appropriate to specific conditions, and
(*iv*) the creation of a defence capability designed to ensure national sovereignty

These goals are set in a context of political independence free from external influences and their achievement is ensured through the following strategies

(*i*) equal emphasis on agriculture and industry, on heavy and light industry, on simple and advanced technology, on town and country, on men and women;
(*ii*) greater emphasis on the production of the means of production, *i e.*, equipment goods, and
(*iii*) working consciously against regional imbalances and creating within regions a regionally integrated economy

These societies are now engaged in developing their forces of production to establish an industrial base suitable to their needs, in this task some of them are now seeking the collaboration of TNCs Those states are not yet classless, but nevertheless the people as a whole are moving as a unified force in developing themselves, in this context they feel strong enough to bring in technology from all sources and use it to subserve their goals and objectives They are aware of the historical experience of other countries with TNCs, yet appear confident of containing their influence May they succeed in this purpose

Countries of the second category are class societies where state power is held by a combination of the industrial bourgeoisie, semi-feudal and capitalist landlords and the state bureaucracy Industrialisation in these countries is pursued with the aim of strengthening their class rule which means the accumulation of capital in the hands of the ruling classes, the industrial bourgeoisie makes sporadic attempts to attain a position of strength vis-a-vis international capital so that accumulation would be relatively in their favour and is generally motivated by a desire to achieve a position of relative economic and political independence Though they basically operate in a position of subordination, there have been scattered examples of local initiatives to develop strategies based on strengthening local and decentralised production

The strategies followed by these countries in the process of industrialisation can be broadly enumerated

(*i*) the establishment and expansion of a state sector which will create the conditions

for the expanded reproduction of capital and creation of job opportunities for the petty bourgeoisie, thereby broadening its support base; the state sector becomes essential because the industrial bourgeoisie lacks capacity for accumulation for establishing the necessary infrastructure and machine-building industries; it also ensures their political control; and

(*ii*) the creation of a class of small capitalists in industry and the adoption of measure designed to develop capitalist relations of production in agriculture However, these agrarian changes are resisted by the landlords whose best interests are served by keeping the peasants in a state of bondage. Merchant and userer's capital in rural areas acts as a fetter to the development of industrial capitalism in agriculture. The continuing impoverishment of the peasantry leads to a shrinking of the domestic market; this in turn affects manufacturing industry and compels them to look outwards to external markets. Thus the seeds of crisis are inherent in the nature of the ruling alliance

The processes of industrialisation followed by the third category of countries, which is the largest in number, have been outlined earlier. The relative weakness of the capitalist class and the capitalist inclinations of the petty bourgeoisie in some of these countries have led to their cooptation by international capital and the creation of bureaucratic capitalism. Industries in these countries, as outlined earlier, are dominated by the demands of the international division of labour.

Looking at the present balance of forces in countries belonging to the two latter categories, the group noted that the organised working class alone in these countries is not yet strong enough to achieve a radical redistribution of income and assets. While the balance of power in these societies can change in favour of the broad masses, only with the active involvement of poor peasantry and agricultural labourers, historical experience has shown that they can be organised only in alliance with the working class and the progressive sections of the petty bourgeoisie. Such an alliance is not yet in being In the short run, industrialisation strategies must be so designed as to strengthen these sections of the domestic capital which are attempting to attain a position of relative autonomy vis-a-vis international capital, this should lead to increasing domestic accumulation, the development of the productive forces and the enrichment of the working class in both quantity and quality

RECOMMENDATIONS FOR RESEARCH

The group's recommendations for research were generated in discussion on the alternative strategies for industrialization described earlier These strategies, taking into account historically determined conditions and politically feasible options would include the following

(*i*) the strengthening and expansion of the state sector in areas necessary to consolidate the country's self-reliant industrial base,

(*ii*) measures for increasing effective control of resources and industries presently controlled by foreign capital and the big domestic bourgeoisie:

(*iii*) measures to expand the demestic market through changes in agrarian relations and through the conversion of merchant and userer's capital to industrial capital both in agriculture and industry; and

(*iv*) measures to increase cooperation between regional groups of countries, including those with different social systems, designed to increase the strength of the international working class movement.

The group would also like to state that the suggestions which follow are illustrative. The group discussed a large number of specific proposals ranging from problems of

transfer pricing by TNCs to the role of the rural sector in generating a surplus for industrialisations to the specific forms of oppression of women in free trade zones It was, however, felt that for the purposes of recommendations to this Plenary Session it would be more useful to categorise the areas of research as follows .

Foreign Trade and Industrialisation—The pattern of external economic and political relations between third world countries and others This includes not just foreign trade and aid as conventionally understood, but also the methods by which transnational corporations transfer resources from one country to another and the linkages between these operations and the internal processes of capital accumulation, working class mobilization, etc

Strategies for Indigenous Capitalist Accumulation in Industry in Asia—This should include studies of the effects of export oriented industrialisation and import substitution strategies on the development of industrial capitalism, including specific institutional forms such as FTZs, incentive and subsidy schemes, employment and industrial relations It should also include other studies of the effect of the destruction of existing cultural norms, social standards and alienation as the national reproduction cycle adjusts itself to the needs of international capitalism The links of userer, merchant and industrial capital must be examined

Alternative Strategies of Industrialisation—The group noted two categories of alternatives One relates to strategies to be adopted by the public sector and the working class in Asian capitalist societies, including methods for encouraging decentralised production and self-reliance by the organised working class The other relates to socialist industrialisation efforts in societies in various stages of transition to socialism The group would emphasise studies of the role that can be played by such societies in supporting the struggles of the working class in the capitalist Asian nations.

Group II : Agriculture and Development

The theme of the group was agriculture, development and the future of Asia The main focus of the discussion was the agrarian question in Asian countries In discussing the question. the members of the group were conscious not to limit their discussion to agricultural activities but to cover the entire rural society which has to be considered in its relations to the rest of the society and to the world at large.

The agrarian structure in the Asian countries was subjected to various transformations by the forces of colonisation which connived with some internal forces. This gave rise to a colonial pattern of division of agricultural labour on a world scale. The colonial agrarian structure subordinated the peasants, transformed a part of them into wage earners and impoverishing most of them. The agricultural surplus was appropriated either directly or through local dominating classes (big land owners, plantation owners, intermediaries, etc)

In the post political independence period the pre-existing pattern of the division of agricultural labour was preserved and even intensified through new techniques, certain alterations in property and tenancy relations and the activation of the role of the State The result was, despite some agricultural growth, increased dependency of agriculture and a more dependent economy from the point of view of food

The Asian countries that took to a socialist pattern of transformation of the agrarian structures have created new production relations to develop the forces of production They have achieved radical changes in the output composition of their agriculture, oriented to their internal needs This further enhances their economic independence

(A) The group discussed case studies of agrarian question in Asian countries—India, Sri Lanka, Philippines, Malaysia, Vietnam, China, Burma, Bangladesh, Egypt and Latin American countries.

Alternative strategies are discussed :

--In discussing the case studies, the objective was to identify the different strategies related to agrarian structures that were explicitly or implicitly adopted in Asian countries and the place of their strategies in overall development strategy

—In the presentation of different case studies a common scheme of periodisation was observed which showed that there are features common to Asian society while each country has its specific features.

This led the group to seek common and specific laws governing agrarian structures. Each case study paid attention to the following:

(1) Organisational set-up in relation to the non-agriculture economy. and the world economy·
—Effective Control of land
—Modes of exploitation, cropping pattern, etc.

(2) How it functions .
—The mode of decision-making
—The role of the market and price mechanism
—Fiscal policies and other agricultural policies
—State intervention

(3) How the organisational set-up is brought into effect or left to spontaneous forces:
—Through the action of the State
—Role of peasants/workers

(4) Results obtained .
(*i*) Agricultural output,
(*ii*) Distribution,
(*iii*) Surplus mobilization within and outside agriculture, and
(*iv*) Standard of living of the producers

(B) In the Asian countries, in the post-independence period, two types of agrarian strategies were identified ·
(*i*) Strategies of the capitalist market economies, and
(*ii*) Strategies of the socialist economies.

(*i*) Two sub-groups may be distinguished in the market economies :
(*a*) Land reforms have been introduced and notable alterations in the agrarian structure and the level of the productive forces, with a new social stratification.
(*b*) No land reforms with changes in agrarian structure brought about by market forces and the current agricultural policies of the State

(*ii*) Socialist countries ·
—conscious structural transformation at the level of the production relations through mobilisation of the peasantry and collectivisation to develop the productive forces—through technical and cultural transformation, deliberate changes in output composition in response to internal needs.

RECOMMENDATIONS

The deliberations of the group concluded with recommendations concerning areas of study and research for future strategies The group also addressed itself to the means by which these studies may be carried out.

(*a*) *Areas of further studies and research*

(*i*) The food situation.
(*ii*) Living standards of peasants and agricultural workers
(*iii*) New forms of concentration and fragmentation of land.

(iv) Agricultural surplus, forms of appropriation and mechanisms of mobilisation (taxation, prices, compulsory delivery, etc), terms of trade between agriculture and industry.
(v) Expansion of commodity production and capitalist integration, the role of the TNCs
(vi) Socio-political nature of the state and its role in the countryside
(vii) Studies of specific agrarian situations to identify the appropriate mode of collectivisation
(viii) Ideological organisational and cultural means of mobilising peasants.

(b) It is recommended that multi-disciplinary research groups be set up at a national level in each country to conduct this type of research These groups should be constituted from radical researchers of diverse disciplines who are committed to collective work and in direct and permanent contact with each other

This amounts to the necessity of assurance for the researcher, as the other members of the society, full freedom of research, thinking and expression

The proposal for a South East Asian Research Clearing House was discussed and adopted.

The UNITAR could promote the conduct of the studies of the type mentioned above by serving the coordinating purposes and providing financial and scientific assistance to national and inter-country groups of Asian research.

Group III : Social, Political, Cultural Structures and Development

THE GLOBAL SITUATION AND ASIAN REALITIES

The group was united in their concern with the liberation, simply of nation-states, but most importantly, of people A substantial proportion of the people of Asia are undernourished, unemployed or underemployed, impoverished, largely deprived of basic education, housing, and health services Political life in all but a few countries is characterised by centralisation of power, absence of government accountability to the public and infringement upon human rights

The group held that the success of a state or government cannot be measured in terms of its seeming stability, which may reflect the degree of repression and stagnation, or in terms of 'growth', which often involves increasing inequality and exploitation Economic growth, if it is to be liberating, must satisfy the demands of distributive justice, political and social institutions must be instruments not of control and manipulation, but of participation and accountability.

The group noted that the prevailing world climate remains extremely unfavourable to the achievement of justice, equality, and freedom. Rather, many delegates pointed to a trend for the worse in this climate They noted, in particular, that capital was aggressively seeking ways out of its present crisis, through the expansion of multinational corporations and the creation in the third world of export the free trade zones, and they noted with concern the accelerated militarisation of the world, and its manifestation in Asia The continuing presence of foreign troops and bases in Asia and the rising threat of nuclear weapons being used, constitute urgent dangers At the same time, the group noted positive signs of popular discontent and resistance against the present systems of injustice and oppression, which may point the way toward the disintegration of present structures and the possibility of moving in the directions of social justice and liberation

CULTURE AND TRADITION

The group viewed 'culture' not as a static, reified entity but as a dynamic process : a continuous attempt by people to convey meanings to their material, social and political lives As these change, so also do the assigned meanings, although the form conveying their meanings may remain apparently unchanged At the same time, any culture is a complex and contradictory whole containing elements of acquiescence and domination as well as elements of resistance and solidarity.

Colonialism has not only supplanted a disarticulated, disorganic modernity for pre-capitalist cultures, but has emphasised the elements of acquiescenc and domination in these cultures This has been continued by neo-colonial ruling classes and governments which manipulate tradition and culture, including religion, to maintain their domination At the same time, such manipulation can be also explosive insofar as the oppressed masses have differing interpretations from the rulers.

For these differing interpretations to lead to human emancipation, they must be joined to progressive ideologies that can provide a bridge between a people's tradition and their aspirations, *i e.*, ideologies which can fashion an organic synthesis of old and new

STATE AND CLASS FORMATION

The group recognised the impact of colonisation and liberation movements in the process of state formation in most parts of Asia. In this context, national experiences of the decolonisation process were exchanged and attention was focussed on the roles of the national bourgeoisies, state bourgeoisies, the working people; parliamentary institutions and military governments and other forms of the exercise of state power; along with the role of the neo-colonial states in many parts of Asia, in providing conditions for intensified capital accumulation by metropolitan powers and local bourgeoisies. Questions of economic, cultural and political dependency of the post-colonial states and societies were also discussed

The group discussed in some detail the structures of different classes and sections and their roles in the processes of liberation. It was pointed out that the definition of the working class needs to be considerably expanded to include the working peasantry, women as producers of commodities and reproducers of labour and all others engaged in commodity production and subject to exploitation whether in the formal or informal sector, organised or unorganised Attention was also drawn to new forms of exploitation of labour through encouraged migration and export of labour—the new slave trade—and the impact of remittances and other organic economic and non-economic linkages between different sections of the working people.

The group recognised the role of class-based autonomous movements at the local level. through the self-consciousness and self-activity of the people themselves, in the process of liberation However, it was also recognised that these movements will have to be linked together in a mass political movement if the ultimate object of human emancipation is to be realised

Significantly, the middle classes, from which many of the representatives came, received little attention in the group. However, the middle classes form one of the largest strata in most Asian countries and the role this stratum has played and continues to play, especially at the level of politics and the state, is important for the future of Asia.

MEANS OF LIBERATION, GOALS OF LIBERATION

Discussions of the international and national systems that impede liberation, and the challenge of deep social change, were brought into focus in relation to a number of specific issues, which at once confront us with present realities and with the goals of a just future society.

Minorities within Nations

The group noted with concern continuing violations of the human rights of ethnic minorities, notably tribal minorities, in many Asian countries, as elsewhere in the world. These violations result both from national policies of internal colonialism and policies of hinterlands 'development' (in the form of mineral and timber projects, hydroelectric projects, etc, which characteristically represent a collusion of the interests of foreign corporations and neo-colonial ruling classes) which destroy the homelands of hinterlands peoples, destroy indigenous cultures and displace, pauperise, and sometimes exterminate populations.

Environmental Degradation

The pollution and environmental degradation produced by industrialisation in Asia, while generally destructive of human life and health, particularly threaten working people The dispersion of industrial operations into hinterlands areas without regard to their environmental impact, and intensified extractive operations, now are threatening rural as well as urban populations. and destroying people's means of livelihood In the long run, human liberation must entail balanced and non-destructive participation in eco-systems, in the short run, it can be furthered by mobilising against the forces of environmental destruction

Food

Food as a mode of cultural domination, under colonialism, and its symbolic importance as an expression of cultural identity, were discussed. The creation of demands for imported, dietarily destructive soft drinks, processed foods, and most deleteriously, infant formula, under contemporary capitalism exact enormous costs of health, livelihood, and alienation Mass tourism was discussed as a destructive form of capitalist penetration that alienates indigenous peoples from their past while commercialising and objectivising token aspects of that 'culture' for foreign consumption

Health and Education

Health and illness as community concerns, and the goals of medicine in society, were discussed both with reference to the experience of post-revolutionary Asian countries and the contemporary problems of other Asian countries While the importance of health services for the rural poor was recognised, the misuses of the 'barefoot-doctor' concept in some countries in furthering class and rural-urban divisions and treating peasants as second-class citizens were critically examined The potential importance of collective efforts to transform community health as means toward new forms of organisation and consciousness was stressed

Education, in the present class context of many Asian societies, sustains and widens class divisions and promotes reactionary and obscurantist ideas and aspirations The challenge of using education to build new links with the past and future, was addressed

Women in Asian Societies

While a number of delegates, women and men, deplored the under-representation of women at the conference and in the planning of Asia's future, the group felt that the liberation of women could not be separated from the wider issues of class struggle addressed by the conference. Women's roles as producers of subsistence, as industrial workers, as reproducers of the labour force, and as intellectuals have all, in various ways, been marred by exploitation, denigration, and exclusion, which must be overcome in the process of liberation and the creation of a just society Oppression of women was not absent in pre-colonial societies, but it has taken new and more destructive forms with capitalist penetration into work and domestic life. Special attention was paid to forms of oppression created by capitalist domination, particularly the sexual exploitation that is a concomitant of mass tourism and the exploitation of women in industrial work, particularly in 'free trade zones'.

'Development' and the Quality of Life

While recognising the urgency of improving the material conditions of life for Asian peasants and workers, the group stressed that assessment of 'standards of living' in economic terms must be complemented by assessment of the quality of life in social and political terms. The quality of life is contingent on bonds of community, on personal autonomy and freedom from outside domination and dependency, all of which have been eroded by prevailing processes and strategies of development in the name of 'modernisation'. The group pointed to the need, in exploring alternative strategies of development, to be guided by an appreciation of these non-material aspects of the quality of life, as well as a quest for economic well-being

The group regards the challenge of alternative development as fundamentally revolutionary, in both a political and social sense. In organising themselves and creating social justice and solidarity through struggle, people must themselves define and create the material conditions of their lives

RECOMMENDATIONS

(A) General Areas and Priorities for Research

1 Research on class structures of Asian countries and their historical roots and present dynamic, with attention to middle and upper, as well as working classes, rural and urban
2 Research on the forms of cultural domination, in education, ideas, food, language, and life-style, created by colonialism in Asian countries, and the challenges and processes of breaking these linkages
3. Research on the ways ideologies and symbols of 'traditional cultures', including religions, are used by ruling classes to sustain their power and prevailing class structures.
4 Research on the class-orientations, and interests of foreign powers, that underlie 'development' programmes in the fields of population control, health, and nutrition in Asian countries.
5 Research on peasant and other people's movements.
6 Research on national minorities, and the processes of internal colonialism and hinterlands 'development' that oppress, exploit, and endanger ethnic minorities and invade and destroy their homelands
7. Research on the growth of urbanism, urban-rural links, and pauperisation of villages.
8 Research on the effects of 'development' on the quality of life in urban and rural settings, with particular reference to the lives of industrial workers and the effects of rural development in creating alienation, landlessness, dependency, and the breakdown of domestic and community solidarity. The impact of 'development' on women, in different class situation is a problem of special concern

(B) Recommendations for Scholars

1. That the results of research related to prevailing structures and social change not be directed solely to academic colleagues but be made available, in useful forms, to the people concerned and to positive agents of social change These forms might include not simply demystified and jargon-free reports, but use of local languages and visual media
2 That research based on deep and committed involvement in the lives of the people who are subjects of study and enlisting their full participation, replace where possible styles of research that objectify subjects and remain marginal to their lives Our commitments and responsibilities to the peoples who have been studied do not end when data have been collected

3. That research include concern with structures of power as well as with the poor and powerless, and that it be self-critical of the class situation and interests of academics and other 'experts'.
4. That linkages between concerned scholars be furthered by all possible formal and informal means, and that these be used as well to create lines of communication and lateral mobilization between the peoples with whom we work

(C) *Recommendations to UNITAR and other U N Agencies*

1. That UNITAR provide whatever support may be possible for research in the problem areas listed in (*A*) above, and to dissemination of the results
2. That UNITAR support in principle, and if possible with funds, smaller follow-up workshops and discussions on a much smaller scale, focussed on regional and topical problems emerging out of this Conference
3. That in its research and training programmes, UNITAR work when possible in national and local languages, and make materials available in these languages.
4. That UNITAR convey to UNESCO and other agencies the concern of the Conference with the urgency of literacy-training, as a means to popular participation in the process of societal transformation
5. That UNITAR convey to the Human Rights Commission the concern of the conference both with the violation of the rights of national minorities, particularly tribal minorities, as a human rights problem, and with the actions of governments in preventing some invited delegates from participating, as a reflection of prevailing political climates
6. That roles of UNITAR and other UN agencies in facilitating linkages between concerned scholars, and between Third World peoples, urban and rural, be examined and if possible expanded

Group IV : Transition Problems and Development

At the outset, our group's discussion focussed on the issue of transition itself *i e*, on the basic goals and orientation of transition, it was agreed that we should be primarily concerned with the transition to self-reliant and egalitarian societies

It was widely agreed that the main lessons in this regard can be drawn from the strategies and experiences of the socialist countries The experiences of fast-growing as well as other capitalist countries were also cited for comparative purposes

The interpretation of self-reliance as an object of development strategy is varied in several regards For instance, self-reliance at local, national and international (collective) levels may have very different and possibly contradictory implications This, of course, has very important consequences for efforts to overcome the tendencies of uneven development associated with capitalist accumulation in the world market, which continues to impinge on any transitional process.

The implications of strategies for self-reliance would also vary in different circumstances While some of these variations would be affected by economic and other structural conditions at the onset of the transitional process, political and cultural factors tend also to play a crucial role in determining the contradictions involved in this process Of particular significance is the relationship between agriculture and industry which has other dimensions such as the rural-urban relationship, and perhaps most significantly, the relations between the peasantry, labour and the state

The State

In trying to understand transitional processes, special attention needs to be given to the nature and role of the state insofar as it determines the basic orientation of the transition involved in circumstances which are not completely under its control Here, the need

to consider the character of the state in two crucial regards was emphasised; first, the basic ideological and strategic orientation of the state, and second, the relationship of the state to other social forces and to other states With such considerations in mind, it was possible to consider critically the relationship between espoused commitments and actual practice. It may be possible to identify significant gaps between goals on the one hand and experience on the other, which can have serious implications for the nature of the transition concerned.

In this connection, there was some discussion of the nature and implications of state intervention under different conditions The actual significance of nationalization and expansion of the state sector in various circumstances was discussed. It was recognised that these trends in themselves do not necessarily imply a transition towards self reliance, although they can play a crucial role in this direction if accompanied by other key transformations In particular, popular participation and decentralised power were cited as important additional criteria for genuine transformations, with appropriate educational developments playing a crucial role

Technology

Recognising that technology simultaneously embodies relations between man and nature on the one hand, and between man and man on the other, considerable attention was given to the question of technological and acquisition development appropriate to transitional processes The task of developing technologies which will promote, rather than stifle, human freedom can only be seriously undertaken by forces in societies seriously committed, to such goals It was noted that unless new forces of production, involving new labour processes, are developed, genuine popular power in society cannot be achieved The view was expressed that socialist countries have generally had poor records in technological (especially product) innovation, in contrast to advanced industrial capitalism. The possibility for backward transitional societies to bypass a stage of 'high' technology in favour of 'post-industrial' technology was raised The concern that the 'appropriate technology' argument may be used to deny developing societies advanced production techniques was also discussed in this connection. And it was noted that the availability of cheap and unlimited energy resources can no longer be assumed to be a viable basis for growth

The Transition Process—Historical Experiences

To aid in the understanding of the process of transition to a self-reliant and egalitarian society, the group decided that it would be useful to discuss the experiences of various third world nations that had already progressed to some degree in this direction.

Several case studies, mostly of socialist countries, were presented and discussed at some length. Particular attention was paid to the following problems

1 Extending the impetus for national liberation to mobilize energy for the subsequent transition to economic self-reliance;
2 Coordinating changes in the social relations of production with changes in the forces of production;
3 Formulating a strategy of agricultural transformation as a key to the larger process of transition; and
4 Structuring economic relations with the outside world so as to spur the transition process without sacrificing political and economic independence

Although the specific case studies differed a greater deal in their respective experiences, certain common themes did emerge from the discussion Among these were the importance of mass participation in the transition process; the need to adapt the process thto the particular historical, social and cultural conditions characterizing the society in transition, and the critical role that would necessarily have to be played by the state in stimulating and guiding social and economic change

After reviewing and comparing cases involving varying degrees of progress in transition, the group turned to consider some of the obstacles that have thwarted progress in other cases. Both theoretically and in the context of specific historical examples, it was argued that a state, whose control over the economy was only partial, often finds its transition objectives thwarted by an inflationary excess of claims placed upon the real social product. Internal problems of excessive claims are often compounded by deliberate external efforts to destabilize the situation in order to restore the *status quo ante*. Discussion of how to overcome such obstacles led to several suggestions, including the importance of developing and maintaining grassroots support for the transition process, encouraging realistic expectations about what can be accomplished in the short-run and the long-run, and promoting a decentralized cooperative sector of economic activity as an alternative both to the market and to the state-controlled sectors

Capital Accumulation vs Mass Consumption

The group agreed that capital accumulation was crucial to any transition to self-reliance; it therefore sought to confront the apparent conflict between promotion of capital accumulation and promotion of higher standards of mass consumption. Four ways of resolving the conflict were cited :

1. mobilising idle resources—especially surplus labour—to add to the total real social product available for consumption and investment;
2. utilising foreign capital,
3. deferring the consumption claims of the poor, and
4. reducing or eliminating the luxury consumption of the rich.

In principle, the fourth solution was greatly to be preferred; but in practice it might be necessary in most countries to drawn on one or more of the other three, because of the limited scope of, luxury consumption and/or political obstacles to its realisation

Some discussion was devoted to the issue of reducing the consumption of the privileged strata of an inegalitarian society. It was observed that this is extremely difficult in the absence of a fundamental redistribution of political power. The privileged strata, in the context of consumption claims on real product, would include not only wealthy property-holders but also a 'middle class' of professionals, managers, civil servants, etc. Moreover, one must consider not only the demand side (the distribution of income) but also the supply side (the pattern of output), a shift in orientation from luxury goods to necessities and capital formation entails a realignment of the structure of productive capacity that can pose economic problems in the short-run

Among the other ways to resolve the conflict between capital accumulation and mass consumption, the utilisation of surplus labour was discussed at the greatest length. The difficulty of utilising surplus labour in a market context was fully recognised : it poses serious problems of finance, organisation, and motivation, given the discrepancy between those who contribute the labour and those who benefit from the work done. One possible institutional solution to this problem was elaborated at some length a system of payment for utilised surplus labour, partly in cash and partly in deferred income, in the form of labour share certificates. The difficulties in implementing this and other related suggestions were noted. In the course of the discussion, it was emphasised that mechanisms must be devised for he people involved to participate meaningfully in the decision-making process with respect to the utilisation of surplus labour This, in turn, led to a review of various efforts at mobilisation, conscientisation and organisation in the wider context of building a grassroots political base for the transition process as a whole.

De-linking/Re-linking

From the deliberations of our group, the transitional process emerged with a general

orientation towards self-reliance and it is in this context that obstacles to transition are particularised in terms of linkages of dependence or subordination. At a key stage of the transition process, an important component of development consists of specific forms of disengagement from such linkages. The complexity of 'de-linking' was recognised by the group, and the various viewpoints expressed avoided any misleading implication that 'de-linking' involves a single administrative or political act which would in one stroke do away with the network of dependent/exploitative relationships De-linking in fact may be merged with the whole process of internal tranxformation of a developing country, and it invariably requires structural changes as a precondition to its feasibility. Thus, de-linking becomes merely a part of more comprehensive and deep-going social reorganisation, in which a developing country transforms the character of its inter-relationship with the existing international order by transforming itself internally.

In much of the group's discussion it was implicit that the mechanics of de-linking relates essentially to the problem of disengagement from the world capitalist system The assumption is that the international economy generates the external conditions which make up the point of departure from which the transitional process would lead an Asian developing country along the path of self-reliant development

The group's discussion outlined some issues which could prove critical in the transition stage of social development How de-linking is forged into a consciously designed strategy could determine the particular areas and define the specific rationale for the operationalisation of the de-linking mechanism This may require an overall planning of the whole development perspective in which de-linking occurs only as one integral part

The trend in the group's discussion did not suggest in any way that de-linking involves complete severance of linkages, resulting in a sharply compartmentalized position of the developing country *vis-a-vis* the world capitalist system Rather, de-linking was seen a process of creative reconstruction of those linkages, based on the country's planned perspective of self-reliance It is in this sense that de-linking necessarily implies a re-linking but with a qualitatively different content

Would de-linkage with the world capitalist order entail the strengthening of linkages with the socialist countries? On this question, the group's discussion leaves much to be desired However, views were expressed on the strengthening of linkages among developing countries, in which the country's self-reliant development becomes inter-related with the concept of collective self-reliance

Mass Mobilization

It was suggested in the group's discussion that the transition process should be defined in terms of active participation/involvement of the people as a collective force The opinion was widely shared that the term 'mass mobilisation' should not devote a group of people being manipulated by an external force to move along a particular direction, rather, the term should refer to the political activation of the people into an ideologically and organisationally cohesive force which determines the content and direction of social development. This means that the transition process operates through the medium of the collective energies of the people Another view was expressed that in dependent societies, transition takes the form of a liberation process geared to a fundamental transformation of the existing power relations. On a more concrete level, it was noted that the mass problem mobilisation entails the design of educational and training methods which promote self-reliance at the local level.

Finally, the group noted and deplored the continuing subordination of women in the societies under consideration. Not only should the desubordination of women be an integral part of the transition to an egalitarian society, but women can play a critical role in the process of mass mobilisation.

II RECOMMENDATIONS

After discussing the foregoing issues in considerable detail, the group turned to the task of identifying research priorities It was felt that it would be useful to recommend not only certain important topics for research, but also to offer some guidelines concerning the manner in which the research should best be carried out The group first developed a series of specific proposals for research with a view to meeting needs which had emerged during the course of discussion The group then formulated several suggestions regarding the manner in which research work should be formulated. carried out and disseminated The topics proposed for research are the following .

1. Case studies of the maintenance of ruling class hegemony in inegalitarian and dependent societies
2. Case studies of external 'destabilization' of societies embarked upon the transition process.
3. Problems posed for transition efforts in a parliamentary democratic context.
4. Problems involved in de-linking from and re-linking with the international capitalist economy
5. The nature and role of various types and levels of planning in the transition process.
6. The educational system as a mechanism for promoting the transition process.
7. Case studies on changing social class configurations in the course of transition
8. Alternative approaches to mobilization of the rural poor
9. Political parties and other organizational forms during transition
10. Implications of post-industrial technology for patterns of transition in the future.

The group felt that it was very important that all research carried out on these and other topics should be done so as to contribute as fully as possible to transitions to egalitarian and self-reliant societies Concretely, this could be achieved by adherence to the following guidelines First, the research should be formulated in collaboration with the people actively involved in initiating the transition process Second, care should be taken to ensure that the research is not liable to be used to subvert the transition Third, and most important, the results of the research must be broadly and popularly disseminated This implies that the research results be communicated in a readily comprehensible, accessible, and meaningful form, in the languages of the people concerned

In addition to these guidelines for research, the group stressed the desirability of producing and making available basic textual materials promoting an understanding of the meaning and the potential of the transition process Finally, the group gave strong support to the idea of creating new institutional frameworks for promoting the study of alternative strategies of development, such as a clearing house for research on problems and prospects of the transition in Asian societies

Group V : The Third World and the New International Economic Order

At the outset of the group meeting, there was a global discussion within group V, to identify problems and define an agenda for the continuation of the discussion within the group The global discussion started with global presentations of the present world crisis and its relation to questions relating to the new international economic order (NIEO), non-alignment and alternative strategies for development The discussions identified four items for subsequent discussion within the group .

A. The new international economic order
B. The international division of labour

C. The concept and role of non-alignment
D. The global crisis

The [illegible] under each head were identified as follows :

A. THE NEW INTERNATIONAL ECONOMIC ORDER

The [illegible] addressed itself to the question of the current role of the third world in the [illegible] of balancing of forces in the internal system. It was essential to identify the nature of the demands which have been subsumed under the format of NIEO, articulated by the [illegible] and governments of the third world. The discussion explored how far the NIEO [illegible] to preserve the *status quo* in terms of the prevailing social balance within the developing countries. The reasons for the failure of negotiations within the framework of the NIEO were also examined. The discussion also sought to introduce some conceptual [illegible] of the idea of NIEO. This related to the nature of self-reliance and how far this [illegible] to operate within the prevailing international division of labour. The relationship between self-reliance and the NIEO within the framework of collective self-alliance was examined.

B. THE INTERNATIONAL DIVISION OF LABOUR (IDL)

Here the group moved to analyse perspectives, operations and strategies of the multinational corporations (MNCs), towards the redeployment of industries and processes and the implications of their policies for the ongoing class struggle in the developed countries. A [illegible] of views were expressed as to the consequences for the developing countries arising out of the range of possible alternative changes in the international division of labour. The implications of actual and potential divergence of interests, in relation to relocation and [illegible] between various developed countries were also discussed. The role of the socialist countries in the IDL both in relation to the nature of their social systems and in relation to the nature of their global targets was also discussed.

C. NON-ALIGNMENT

The nature and implications of non-alignment of the third world and its implications for the restructuring of the current international order were discussed.

D. THE GLOBAL CRISIS AND ITS IMPLICATIONS

The crisis within the world capitalist system was reviewed from the point of view of the South, and [illegible] in relation to the demands of the South for realising a NIEO. Here the role of the socialist countries in the global balance of forces was also reviewed.

THE NATURE OF THE NEW INTERNATIONAL ECONOMIC ORDER

[illegible] NIEO [illegible]

The [illegible] of the demand for a NIEO was viewed in the discussions to have arisen [illegible] the world capitalist system, and the failure of earlier [illegible] the third world countries. The weakening in the au[illegible] to have had its origin in the emergence [illegible] and the cumulative impact of various liberation struggles [illegible]. The weakening in the authority of the metropolitan countries has [illegible] countries of the third world to realign

the terms of trade in their favour and to acquire control over a large volume of liquid capital. The consequent accentuation in the crisis of the world capitalist system has resulted in mounting levels of unemployment concurrent with inflationary trends in the developed world. The emergence of some developing countries, operating within the prevailing international division of labour, to compete for markets both within the metropolitan centres and more recently, within the third world, has aggravated the crisis of the old orders.

The capitalist world operating through the TNCs has sought to contain this erosion in its control of the international system through realising a more efficient co-option of the emerging elites of particular developing countries, and the integration of the economies into the prevailing international division of labour This has in turn, generated contradictions within the capitalist countries with their own working class.

The Third World and NIEO

Within the developing world, the failure of earlier development models to resolve the structural crisis of the agrarian sector, adequately absorb a growing labour force in remunerative employment and successfully operate the state sector to realise an effective redistribution of income has moved the elite groups towards securing their position through an improved allocation of global resources through the realisation of a NIEO This is to be realised through securing higher and more stable prices for commodities exports, relocation of industries, within the prevailing international division of labour, inside the Third World, along with access to the markets of the developed world; better terms for exploitation and export of natural resources; and an improvement in the volume and terms on which resources are transferred to them from the capitalist world.

Whilst this overall perspective of third world ruling elites intersects at various points with the interests of elements within the capitalist world, the demands have generated a sharpening of contradictions with the developed world which has in many cases enabled a coalition of interests between the elites and the masses of particular developing countries to emerge in pressuring demands for a NIEO Within the third world itself, the prevailing balance of power within particular countries tends to condition their attitudes, and militancy in pursuing the goals of a new order These variations in the social balance determine whether the pursuit of the new order is related to a genuine commitment to both national and global collective self-reliance or whether it emerges out of a need for elite groups to contain the mounting crisis within their domestic systems and to improve their bargaining position in relation to the developed world.

Contradictions within the International System

The incapacity of the capitalist countries to adequately respond to the demands of the third world elites to restructure the old order, largely due to their own accentuating economic crisis and social contradictions has raised the possibility of more positive steps within the third world to cooperate amongst themselves to improve their bargaining power and to realise structural adjustments within the international balance of power In this context, the availability of surplus capital resources in the hands of particular third world countries, to underwrite such programmes of cooperation were reviewed, particularly in the context of recent assaults on the security and political assumptions which underlay the direction of these investments towards the developed world The scope for cooperation amongst third world commodity exporters through the medium of producers' associations to realise better prices and a higher addition of value to their natural resources through down-stream processing and marketing were seen as possible outcomes of this impasse in the North-South dialogue The expansion of intra-third world trade based on a substantial growth in the dimension of third world markets and the increased competitiveness of third world exports was seen as another option

The scope for realising these goals of collective self-reliance was reviewed in terms of the prevailing political and institutional constraints within the international system, the

vertical links of particular third world elites within the capitalist system and the capacity of these initiatives to at all realise an effective restructuring of the prevailing order. The consequential outcome of this failure of third world elites to effectively resolve their domestic crisis through the realisation of a NIEO was examined in terms of the growth of repression, the accentuation of contradictions and the mounting instability of the prevailing social systems of the third world.

THE INTERNATIONAL DIVISION OF LABOUR (IDL)

The compulsion of the TNCs to seek new alignments within the prevailing international division of labour have been examined in discussions relating to the NIEO. The evolving techniques to realise this readjustment were reviewed. The trend by TNCs to re-export semi-finished products for processing within developing countries to cater to regional markets, the use of sub-contracting, the concept of relocation of processes rather than production, the use of sub-contracting, were seen as instruments in this re-adjustmental process. The concommitant development of more flexible techniques of control over the relocated entities within the third world were seen, *inter alia*, to include the instruments of joint ventures, control over technology and spares, the use of portfolio rather than equity financing and the control of marketing channels.

The developing countries as a price for realising a more favourable integration into the IDL invest in the building up of an economic, educational and coercive infrastructure to meet the needs of the TNCs The old order is reinforced through the capitalist countries control of the international monetary system through the dominant role of the dollar and the monopoly of the bankers and financial institutions of the capitalistic world over international liquidity and financial flows. Their effective appropriation of the OPEC surpluses has strengthened their control over the international system, through constricting the freedom of manoeuvre of the surplus countries, and the imposition of a mounting burden of commercial debt on particular developing countries.

The operation of these strategies in the agricultural sector was viewed in terms of the strategies of TNCs to make the third world countryside dependent on them through encouragement in the production of cash crops and the use of institutions such as agri-business, the corresponding increase in the dependence of third world countries on particular food exporting countries of the capitalist world was examined.

Finally the role of the socialist countries in the international division of labour was discussed. The tendency of the prevailing system to absorb them into the current division of labour through trade, technology dependence and debt instruments was reviewed. The scope for using the presence of the socialist world to delink third world countries from the prevailing division of labour through increased trade, investment cooperation and technology transfer was discussed

THE NON-ALIGNMENT

Several aspects relating to the concept of power, both economic and non-economic, were considered At the same time, the distinction between power, wealth and development was discussed The existing tendency toward diffusion of power and crystallisation of several centres (policentric formation of modern powers) indicates that each centre of power is not so strong or coherent as it was previously

It was viewed that the non-aligned movement had to develop more stress on regional and sub-regional, bilateral and multinational economic cooperation among the non-aligned countries The system of cooperation could be composed of several sub-systems In order to achieve this, a better mutual understanding and better knowledge of individual countries economic possibilities was needed By domestically strengthening their economies, promoting cooperation amongst non-aligned centre, and preserving their non-aligned

character, the non-aligned countries could substantially increase their collective bargaining power in the world system.

It was viewed that the platform and goals of non-alignment policy were not only still valid, but even more justified at this current juncture in history In order to illustrate the validity of the non-alignment policy, the main goals of non-alignment were reiterated :

(*a*) peace and security
(*b*) independence
(*c*) equality
(*d*) development and welfare
(*e*) anti-imperialism and freedom from extraneous influencies in militancy, economic, cultural, technological and other areas

Such a broad platform has roots originating in the Afro-Asian Conference in Bandung, 1955 and officially formulated in Belgrade, 1961 This was later approved in meetings in Cairo, 1964, Lusaka, 1970, Algiers, 1973, Colombo, 1976, and Havana, 1979. As the relationships of forces has been changing, necessary adjustments in the platform of the non-aligned countries have been introduced

It was suggested that the non-aligned nations should insist on political and economic stability, but at the same time they should identify themselves against various forms of colonialism and neo-colonialism and should support the just struggle of people against various forms of oppression whether on racial, national, linguistic or any other grounds. Non-aligned should not mean the acceptance of the *status quo*, notwithstanding the price.

The non-aligned nations need to consider peace as one of the basic conditions for economic and social development of their countries. This is why they have to take particular care to preserve the independence of the countries belonging to the movement as well as to strengthen peace in the world.

During the discussions, it was suggested that non-alignment is a broad-based movement of countries with a variety of internal socio-economic and political structure It was brought out that a potential contradiction existed within the movement insofar as the movement was fighting for equalities on the international front, while at the same time in many countries belonging to the non-aligned movement, various forms of exploitation and large disparities in internal distribution of income continued to exist Notwithstanding these contradictions, it was argued that at the international level, countries taking up progressive positions would sooner or later have to change their policies in various areas of internal development, including income distribution, if they were to sustain their policy of confrontation with the developed world Adherence of these governments to the policy of non-alignment thus emerges as a factory which has a positive effect in strengthening those internal forces who are insisting on a more equitable policy of internal development.

It was suggested that the absence of an institutional facility within the non-alignment movement, was a constraint in promoting viable programmes for cooperation and negotiations with the North The emergence of a support facility to promote ideas of cooperation and for negotiations, along with regular conferences at the working level, in order to discuss concrete forms of economic cooperation among the non-aligned countries, was suggested. Economic cooperation among the non-aligned countries, however, needed to be based on a policy of self-reliance inter-linked with the participation of its member countries in the existing world economic system as opposed to a policy to isolate the non-aligned countries from the existing sy[illegible]

[illegible]IE GLOBAL CRISIS

Three crisis poi[illegible] [illegible]er and nature of the present [illegible] [illegible]isis

as it occurs in particular in the capitalist world were identified :

(i) The old economic and political order has run into difficulties and some suggest, even faces collapse. As a consequence, the global economic system has become unmanageable for the present ruling classes; therefore.

(ii) These ruling classes are unable to guarantee their citizens the fulfilment of their daily basic needs. This has led to the collapse of the ruling classes who have been forced to become more and more repressive to sustain themselves in power, consequently,

(iii) Many nations have been turned into police states; citizens have become *objects* of the state, that is, the police state. There are two serious consequences of this process of transformation of the majority of the citizens into objects of the state, namely, dehumanisation and poverty.

As a consequence of the breakdown of the old economic and political order there now occurs an international civil war; that is, the total breakdown gives outside reactionary forces the opportunity to intervene into or subvert the nation states. particularly the nation states in the third world, and to create or help create fascist governments Also the right of self-determination has been violated and the ruling classes including those of the third world, have acquired a monopoly of the techniques of violence.

The nation states in the third world are also threatened by boundary problems created in the past by the former colonial masters. The nation states in the third world still feel or are confronted with the result of the colonial divide-and-rule policies of the former colonial masters.

The world system has come under challenge because :

(i) Since the Bolshevik Revolution of 1917, socialism is gradually taking roots in the state structure and is challenging the capitalist order

(ii) The incapability of the world monetary system to maintain stability.

(iii) The area for capitalist expansion has become limited, and is even shrinking.

(iv) Increasing antagonism or even conflicts between the modes of production.

(v) Internationalization at the level of consumer culture and its impact on the consciousness of the peoples in many third world countries.

Third world strategies in the face of the crisis:

(i) Peace in the widest sense of the word—peace as an objective social value; to achieve (establish) peace, even outside

(ii) The need to create special mechanisms within the United Nations to negotiate peace in regional conflicts to promote disarmament (arms race is a big impediment to development), to contain the current trend towards accentuating the new cold war. The cold war has again become the major instrument of in the domestic politics of certain countries.

(iii) Organize peasants—peasants should be given the opportunity to organize international general strikes and ILO should recognize labour organisations.

(iv) Certain institutions (created by Third World countries) should conduct a struggle of the peasants against the transnational corporations (TNCs). Multistate enterprises should be established in order to recycle profits to the population—the real producers should benefit most from this process.

(v) The creation of so-called 'crisis funds', since only peasants who do not suffer from hunger can fight To start a peasant revolution it is necessary to first increase the fighting capacity of the peasant (hungry peasants are not able to fight or fight over a long period).

The present global crisis in the capitalist world could also be seen as a crisis of the capitalist modes of production. This crisis raises several possibilities . rule of TNCs, the emergence of world bourgeoisie, the emergence of the masses, or simply chaos

However, it appears that there will be a disintegration in the present capitalist system, in particular in the third world Third world ruling classes in general appear to be unable to manage this disintegration process which, in turn, has consequences for the viability of the social order in these societies.

A NEW INTERNATIONAL INFORMATION ORDER (NIIO)

NIEO and NIIO should go hand in hand.

NIIO should counter-balance the biased press of the present old order and breakdown the monopoly position of hostile (hostile to the development in the third world) and biased western press agencies. It should set up a new network of telecommunications and distribution of (alternative) news based on or making use of high technology and communication techniques.

RESEARCH TOPICS RELATING TO THE REALISATION OF A NEW INTERNATIONAL ECONOMIC ORDER (NIEO)

Structure of the Research

(*i*) All research programmes should articulate the economic implications and distributional gains from such projects for third world cooperation and the realisation of NIEO

(*ii*) The political constraints in realising such programmes should be identified both in relation to responses from the capitalist countries and resistance within the developing world

(*iii*) The current institutional format which governs the prevailing structures which are sought to be realigned should be reviewed along with the capacity of these institutions to resist or frustrate the restructuring process.

(*iv*) The specific role, class interests and international alignment of international institutions involved in the NIEO issues, and the impact of these agencies on the course of the debate on collective self-reliance should be reviewed.

(*v*) The detailing of the institutional structure, organisational and operational arrangements relating to specific proposals should be spelt out.

(*vi*) The problems of political mobilisation within the third world in support of particular programmes.

(*vii*) The institutional and political measures needed to initiate discussions within third world countries to get these proposals to the stage of discussion and realisation.

THE SUBJECTS FOR RESEARCH

Research on Collective Self-reliance within the Third World

(*i*) A southern common fund to finance specific commodity agreements of particular producers' associations

(*ii*) The scope and role of producers' associations based on commercial principles and underwritten by surplus funds of particular third world countries The role and mobilisation of peasants in support of these producers' associations and the gains to be derived by the peasantry needs specific study.

(*iii*) A third world merchant banking facility underwritten by third world surplus funds to promote third world trade, investments and technical collaboration

(*iv*) A review of the prevailing extent and pattern of third world trade, reasons for low level of trade, possibilities for expansion of trade, including detailing of areas of expansion and constraints in realising this process.

(*v*) Scope for industrial redeployment within the third world involving third world surplus funds.

(*vi*) Scope for technical cooperation within the third world.

(*vii*) Investment of third world resources in third world mineral exploration, development and processing.

(*viii*) A review of the political economy of the international monetary system with a view to examining the scope and specifics for restructuring the system to turn it away from the domination of the dollar and the banks of the developed capitalist world

(*ix*) A review of the need and scope of a third world food security facility underwritten by third world surplus funds

(*x*) A review of the need and prospects for increasing concessional resource transfers to and within the third world, along with a review of the institutional structures to promote these transfers.

(*xi*) A study of the legal aspects, arrangements and mechanisms for promoting collective self-reliance

(*xii*) Extent pattern, terms and further scope for economic cooperation between the third world and socialist countries, at the bilateral, regional and collective level.

Issues Relating to Peace and Disarmament

(*i*) A study of current mechanisms and new proposals to settle border disputes

(*ii*) A task force to review the problem of disarmament.

(*iii*) Scope for national and collective self-reliance in matters of defense and defence production

Issues Relating to Raising the Consciousness of the Third World

(*i*) Research on the establishment of an Asia communication centre for unbiased, alternative and real news with a view to break the monopoly of the giant international news agencies

(*ii*) Research on scope for restructuring teaching and research at universities and other institutes based on the realities and needs of the third world, particularly for the social sciences, with a view to ending the cultural hegemonism of the capitalist world on the minds and attitudes of third world education.

(*iii*) Research by Asian scholars should study both the structures of the metropolitan world and the structures of the peripheral world

Scope for establishment of control over UN operations, agencies and international financial institutions by third world countries with a view to restructuring the policies, programmes and operation of these institutions



Document 3

The Global 2000 Report

[In 1977, President Carter directed the Council of Environmental Quality and the Department of State to study the 'probable changes in the world's population, natural resources, and environment through the end of the century' to serve as the foundation for US long term planning. The report was submitted to the President recently. It consists of three volumes : (a) an interpretative report that summarises the findings in non-technical terms; (b) the technical report, which presents the projections and related analyses in greater detail; and (c) a volume of basic documentation on the models used in the study.

We are giving below a summary of the findings, and the conclusions.

The report was made available to us by the courtesy of American Centre Library, New Delhi.]

ENTERING THE TWENTY-FIRST CENTURY

The world in 2000 will be different from the world today in important ways. There will be more people. For every two persons on the earth in 1975 there will be three in [illegible] The number of poor will have increased. Four-fifths of the world's population will live [illegible] less developed countries. Furthermore, in terms of persons per year added to the world's population growth will be 40 per cent *higher* in 2000 than in 1975.

The gap between the richest and the poorest will have increased. By every measure [illegible] material welfare the study provides—per capita GNP and consumption of food, [illegible] and minerals—the gap will widen. For example, the gap between the GNP per capita [illegible] less developed countries (LDCs) and the industrialized countries is projected to grow [illegible] about $ 4,000 in 1975 to about $ 7,900 in 2000. Great disparities within countries [illegible] also expected to continue

There will be fewer resources to go around. While on a worldwide average there [illegible] about four-tenths of a hectare of arable land per person in 1975, there will be only [illegible] one-quarter hectare per person in 2000. By 2000 nearly 1,000 billion barrels of the world's [illegible] total original petroleum resource of approximately 2,000 billion barrels will have been [illegible] sumed Over just the 1975-2000 period, the world's remaining petroleum resources [illegible] can be expected to decline by at least 50 per cent Over the same period world [illegible]

significant fraction of the world's rangeland and cropland. Over little more than two decades, 15-20 per cent of the earth's total species of plants and animals will have become extinct—a loss of at least 500,000 species.

Prices will be higher. The price of many of the most vital resources is projected to rise in real terms—that is, over and above inflation. In order to meet projected demand, a 100 per cent increase in the real price of food will be required. To keep energy demand in line with anticipated supplies, the real price of energy is assumed to rise more than 150 per cent over the 1975-2000 period. Supplies of water, agricultural land, forest products, and many traditional marine fish species are projected to decline relative to growing demand at current prices, which suggests that real price rises will occur in these sectors too. Collectively, the projections suggest that resource-based inflationary pressures will continue and intensify, especially in nations that are poor in resources or are rapidly depleting their resources

The world will be more vulnerable both to natural disaster and to disruptions from human causes. Most nations are likely to be still more dependent on foreign sources of energy in 2000 than they are today. Food production will be more vulnerable to disruptions of fossil fuel energy supplies and to weather fluctuations as cultivation expands to more marginal areas. The loss of diverse germ plasm in local strains and wild progenitors of food crops, together with the increase of monoculture, could lead to greater risks of massive crop failures Larger numbers of people will be vulnerable to higher food prices or even famine when adverse weather occurs. The world will be more vulnerable to the disruptive effects of war. The tensions that could lead to war will have multiplied. The potential for conflict over fresh water alone is underscored by the fact that out of 200 of the world's major river basins, 148 are shared by two countries and 52 are shared by three to ten countries Long standing conflicts over shared rivers such as the Plata (Brazil, Argentina), Euphrates (Syria, Iraq), or Ganges (Bangladesh, India) could easily intensify.

Finally, it must be emphasized that if public policy continues generally unchanged the world will be different as a result of lost opportunities. The adverse effects of many of the trends discussed in this Study will not be fully evident until 2000 or later; yet the actions that are necessary to change the trends cannot be postponed without foreclosing important options The opportunity to stabilize the world's population below 10 billion, for example, is slipping away; Robert McNamara, President of the World Bank, has noted that for every decade of delay in reaching replacement fertility, the world's ultimately stabilized population will be about 11 per cent greater. Similar losses of opportunity accompany delayed perceptions or action in other areas If energy policies and decisions are based on yesterday's (or even today's) oil prices, the opportunity to wisely invest scarce capital resources will be lost as a consequence of undervaluing conservation and efficiency. If agricultural research continues to focus on increasing yields through practices that are highly energy-intensive, both energy resources and the time needed to develop alternative practices will be lost.

The full effects of rising concentrations of carbon dioxide, depletion of stratospheric ozone, deterioration of soils, increasing introduction of complex persistent toxic chemicals into the environment, and massive extinction of species may not occur until well after 2000 Yet once such global environmental problems are in motion they are very difficult to reverse In fact, few if any of the problems addressed in the Global 2000 Study are amenable to quick technological or policy fixes; rather, they are inextricably mixed with the world's most perplexing social and economic problems.

Perhaps the most troubling problems are those in which population growth and poverty lead to serious long-term declines in the productivity of renewable natural resource systems In some areas the capacity of renewable resource systems to support human populations is already being seriously damaged by efforts of present populations to meet desperate immediate needs, and the damage threatens to become worse

Examples of serious deterioration of the earth's most basic resources can already be

found today in scattered places in all nations, including the industrialized countries and the better-endowed LDCs. For instance, erosion of agricultural soil and salinization of highly productive irrigated farmland is increasingly evident in the United States, and extensive deforestation, with more or less permanent soil degradation, has occurred in Brazil, Venezuela, and Colombia. But problems related to the decline of the earth's carrying capacity are most immediate, severe, and tragic in those regions of the earth containing the poorest LDCs

Sub-Saharan Africa faces the problem of exhaustion of its resource base in an acute form. Many causes and effects have come together there to produce excessive demands on the environment, leading to expansion of the desert Overgrazing, fuelwood gathering, and destructive cropping practices are the principal immediate causes of a series of transitions from open woodland, to scrub, to fragile semiarid range, to worthless weeds and bare earth Matters are made worse when people are forced by scarcity of fuelwood to burn animal dung and crop wastes. The soil, deprived of organic matter, loses fertility and the ability to hold water—and the desert expands. In Bangladesh, Pakistan, and large parts of India, efforts by growing numbers of people to meet their basic needs are damaging the very cropland, pasture, forests, and water supplies on which they must depend for a livelihood. To restore the lands and soils would require decades—if not centuries—*after* the existing pressures on the land have diminished But the pressures are growing, not diminishing.

There are no quick or easy solutions, particularly in those regions where population pressure is already leading to a reduction of the carrying capacity of the land. In such regions a complex of social and economic factors (including very low incomes, inequitable land tenure, limited or no educational opportunities, a lack of non-agricultural jobs, and economic pressures toward higher fertility) underlies the decline in the land's carrying capacity Furthermore, it is generally believed that social and economic conditions must improve before fertility levels will decline to replacement levels Thus a vicious circle of causality may be at work. Environmental deterioration caused by large populations creates living conditions that make reductions in fertility difficult to achieve, all the while, continuing population growth increases further the pressures on the environment and land.

The declines in carrying capacity already being observed in scattered areas around the world point to a phenomenon that could easily be much more widespread by 2000 In fact, the best evidence now available—even allowing for the many beneficial effects of technological developments and adoptions—suggests that by 2000 the world's human population may be within only a few generations of reaching the entire planet's carrying capacity

The Global 2000 Study does not estimate the earth's carrying capacity, but it does provide a basis for evaluating an earlier estimate published in the U S National Academy of Sciences' report, *Resources and Man* In this 1969 report, the Academy concluded that a world population of 10 billion "is close to (if not above) the maximum that an *intensively managed* world might hope to support with some degree of comfort and individual choice" The Academy also concluded that even with the sacrifice of individual freedom and choice, and even with chronic near starvation for the great majority, the human population of the world is unlikely to ever exceed 30 billion.

Nothing in the Global 2000 Study counters the Academy's conclusions If anything, data gathered over the past decade suggest the Academy may have underestimated the extent of some problems, especially deforestation and the loss and deterioration of soils

At present and projected growth rates, the world's popoulation would rapidly approach the Academy's figures If the fertility and mortality rates projected for 2000 were to continue unchanged into the twenty-first century, the world's population would reach 10 billion by 2030 Thus anyone with a present life expectancy of an additional 50 years could expect to see the world population reach 10 billion This same rate of growth would produce a population of nearly 30 billion before the end of the twenty-first century

Here it must be emphasized that, unlike most of the Global 2000 Study projections,

the population projections assume extensive policy changes and developments to reduce fertility rates Without the assumed policy changes, the projected rate of population growth would be still more rapid.

Unfortunately population growth may be slowed for reasons other than declining birth rates As the world's populations exceed and reduce the land's carrying capacity in widening areas, the trends of the last century or two toward improved health and longer life may come to a halt Hunger and disease may claim more lives—especially lives of babies and young children More of those surviving infancy may be mentally and physically handicapped by childhood malnutrition.

The time for action to prevent this outcome is running out Unless nations collectively and individually take bold and imaginative steps toward improved social and economic conditions, reduced fertility, better management of resources, and protection of the environment, the world must expect a troubled entry into the twenty-first century

THE GLOBAL 2000 STUDY COMPARED WITH OTHER GLOBAL STUDIES

In the course of the Global 2000 Study, the Government's several models (here referred to collectively as the "Government's global model") and their projections were compared with those of five other global studies. The purpose was not only to compare the results of different projections, but also to see whether and how different assumptions and model structures may have led to different projections and findings

The Global 2000 Study's principal findings are generally consistent with those of the five other global studies despite considerable differences in models and assumptions. On the whole, the other studies and their models lack the richness of detail that the Government's global model provides for the various individual sectors—food and agriculture, forests, water, energy and so on However, the linkages among the sectors in the other models are much more complete Many apparent inconsistencies and contradictions in the Global 2000 projections are due to the weakness of the linkages among sectors of the Government's global model

Another important difference is that the Government's projections stop at the year 2000 or before, while the other global studies project well into the twenty-first century. The most dramatic developments projected in the other studies—serious resource scarcities, population declines due to rising death rates, severe environmental deterioration—generally occur in the first half of the twenty-first century and thus cannot be compared with the Government's projections Up to the turn of the century, all of the analysis, including the Government's, indicate more or less similar trends. continued economic growth in most areas, continued population growth everywhere, reduced energy growth, an increasingly tight and expensive food situation, increasing water problems, and growing environmental stress.

The most optimistic of the five models is the Latin American World Model Instead of projecting future conditions on the basis of present policies and trends, this model asks. "How can global resources best be used to meet basic human needs for all people?" The model allocates labour and capital to maximize life expectancy It assumes that personal consumption is sacrificed to maintain very high investment rates (25 per cent of GNP per year), and it posits an egalitarian, nonexploitative, wisely managed world society that avoids pollution, soil depletion, and other forms of environmental degradation. Under these assumptions it finds that in little more than one generation basic human needs could be adequately satisfied in Latin America and in Africa Thereafter, GNP would grow steadily and population growth would begin to stabilize.

But in Asia, even assuming these near-utopian social conditions and high rates of investment, the system collapses The model projects an Asian food crisis beginning by 2010, as land runs out, food production cannot rise fast enough to keep up with population growth, and a vicious circle begins that leads to starvation and economic collapse by mid-century. The modelers suggest that an Asian food crisis could be avoided by such means

as food imports from other areas with more cropland, better crop yields, and effective family planning policies Nonetheless, it is striking that this model, which was designed to show that the fundamental constraints on human welfare were social, not physical, does project catastrophic food shortages in Asia due to land scarcity

The world 2 and world 3 models which were the basis of the 1972 Club of Rome report *The Limits to Growth*, give much attention to environmental factors—the only models in the group of five to do so. The World models, like the Global 2000 Study, considered trends in population, resources, and environment However, these models are highly aggregated, looking at the world as a whole and omitting regional differences In the cases that assume a continuation of present policies, the world 2 and 3 models project large global increases in food and income per capita until 2020, at which time either food scarcity or resource depletion would cause a downturn The two models do suggest that major changes of policy can significantly alter these trends.

The World Integrated Model, a later effort sponsored by the Club of Rome, is much more detailed than the world 2 and 3 models in its treatment of regional differences, trade, economics, and shifts from one energy source to another, but it is less inclusive in its treatment of the environment This complex model has been run under many different assumptions of conditions and policies. Almost invariably the runs project a long-term trend of steeply rising food prices Under a wide range of policies and conditions the runs indicate massive famine in Asia and, to a lesser degree, in non-OPEC Africa, before the turn of the century.

The United Nations World Model found that to meet U N target rates for economic growth developing countries would have to make great sacrifices in personal consumption, saving and investing at unprecedented rates Personal consumption would not exceed 63 per cent of income in any developing region, and none would have a level of private investment of less than 20 per cent To meet food requirements, global agricultural production would have to rise fourfold by 2000, with greater increases required in many places (500 per cent, for example, in low-income Asia and Latin America)

The Model of International Relations in Agriculture (MOIRA) confines itself to agriculture, it takes into account the effects of agriculture policies but not those of environmental degradation Its results are more optimistic than the Global 2000 projections world food production more than doubles from 1975 to 2000, and per capita consumption rises 36 per cent Even so, because of unequal distribution, the number of people subsisting on two-thirds or less of the biological protein requirement rises from 350 million in 1975 to 740 million in 2000

The Global 2000 Study conducted an experiment with two of the more integrated non-government models to answer the question "How would projections from the Government's global model be different if the model were more integrated and included more linkages and feedback?" The linkages in the two non-government models were severed so that they bore some resemblance to the unconnected and inconsistent structure of the Government's global model Chosen for the experiment were the world 3model and the World Integrated Model

In both models, severing the linkages led to distinctly more favourable outcomes On the basis of results with world 3, the Global 2000 Study concluded that a more integrated Government model would project that

> Increasing competition among agriculture, industry, and energy development for capital would lead to even higher resource cost inflation and significant decreases in real GNP growth (this assumes no major technological advances)
>
> The rising food prices and regional declines in food consumption per capita that are presently projected would be intensified by competition for capital and by degradation of the land.

Slower GNP and agricultural growth would lead to higher death rates from widespread hunger—or from outright starvation—and to higher birth rates, with greater numbers of people trapped in absolute poverty.

A decisive global downturn in incomes and food per capita would probably not take place until a decade or two after 2000 (this assumes no political disruptions).

When links in the World Integrated Model (WIM) were cut, outcomes again were more favourable The results of the unlinked version were comparable to the Global 2000 quantitative projections for global GNP, population, grain production, fertilizer use, and energy use But in the original integrated version of WIM, gross world product was 21 per cent lower than in the unlinked version—$ 11 7 trillion instead of $ 14 8 trillion in 2000 In the linked version, world agricultural production rose 85 per cent instead of 107 per cent; grain available for human consumption rose less than 85 per cent because some of the grain was fed to animals for increased meat production. Population rose only to 5.9 billion rather than 6 2 billion, in part because of widespread starvation (158 million deaths cumulatively by 2000) and in part because of lower birth rates in the industrialized countries. The effects of severing the linkages are much less in lightly populated regions with a wealth of natural resources, such as North America, than in regions under stress, where great numbers of people are living at the margin of existence In North America, the difference in GNP per capita was about 5 per cent; in South Asia, about 30 per cent

The inescapable conclusion is that the omission of linkages imparts an optimistic bias to the Global 2000 Study's (and the U.S. Government's) quantitative projections. This appears to be particularly true of the GNP projections. The experiments with the World Integrated Model suggest that the Study's figure for gross world product in 2000 may be 15-20 per cent too high.

CONCLUSIONS

If present trends continue, the world in 2000 will be more crowded, more polluted, less stable ecologically, and more vulnerable to disruption than the world we live in now A serious stress involving population, resources and environment are clearly visible ahead Despite greater material output, the world's people will be poorer in many ways than they are today.

For hundreds of millions of the desperately poor, the outlook for food and other necessities of life will be no better. For many it will be worse. Barring revolutionary advances in technology, life for most people on earth will be more precarious in 2000 than it is now—unless the nations of the world act decisively to alter current trends

This, in essence, is the picture emerging from the U.S Government's projections of probable changes in world population, resources, and environment by the end of the century, as presented in the Global 2000 study. They do not predict what will occur Rather, they depict conditions that are likely to develop if there are no changes in public policies, institutions, or rates of technological advances, and if there are no wars or other major disruptions A keener awareness of the nature of the current trends, however, may induce changes that will alter these trends and the projected outcome

Rapid growth in world population will hardly have altered by 2000 The world's population will grow from 4,000 million in 1975 to 6,350 million in 2000, an increase of more than 50 per cent The rate of growth will slow only marginally, from 1 8 per cent a year to 1.7 per cent. In terms of sheer numbers, population will be growing faster in 2000 than it is today, with 100 million people added each year compared with 75 million in 1975 Ninety per cent of this growth will occur in the poorest countries

While the economies of the less developed countries (LDCs) are expected to grow at faster rates than those of the industrialized nations, the gross national product per capita in most LDCs remains low The average gross national product per capita is projected to

rise substantially in some LDCs (especially in Latin America), but in the great populous nations of South Asia it remains below 200 dollars a year (in 1975 dollars). The large existing gap between the rich and poor nations widens.

World food production is projected to increase 90 per cent over the 30 years from 1970 to 2000 This translates into a global per capita increase less than 15 per cent over the same period. The bulk of that increase goes to countries that already have relatively high per capita food consumption. Meanwhile per capita consumption in South Asia, the Middle East, and the LDCs of Africa will scarcely improve or will actually decline below present inadequate levels At the same time, real prices for food are expected to double

Arable land will increase only four per cent by 2000, so that most of the increased output of food will have to come from higher yields Most of the elements that now contribute to higher yields—fertilizer, pesticides, power for irrigation, and fuel for machinery—depend heavily on oil and gas

During the 1990s world oil production will approach geological estimates of maximum production capacity, even with rapidly increasing petroleum prices The study projects that the richer industrialized nations will be able to command enough oil and other commercial energy supplies to meet rising demands through 1990. With the expected price increases, many less developed countries will have increasing difficulties meeting energy needs For the one-quarter of humankind that depends primarily on wood for fuel, the outlook is bleak Needs for fuelwood will exceed available supplies by about 25 per cent before the turn of the century

While the world's finite fuel resources—coal, oil, gas, oil shale, tar sands, and uranium—are theoretically sufficient for centuries, they are not evenly distributed, they pose difficult economic and environmental problems, and they vary greatly in their amenability to exploitation and use

Nonfuel mineral resources generally appear sufficient to meet projected demands through 2000, but further discoveries and investments will be needed to maintain reserve In addition, production costs will increase with energy prices and may make some nonfuel mineral resources uneconomic The quarter of the world's population that inhabits industrial countries will continue to absorb three-fourths of the world's mineral production.

Regional water shortages will become more severe In the 1970-2000 period population growth alone will cause requirements for water to double in nearly half the world. Still greater increases would be needed to improve standards of living. In many LDCs, water supplies will become increasingly erratic by 2000 as a result of extensive deforestation Development of new water supplies will become more costly virtually everywhere

Significant losses of world forests will continue over the next 20 years as demand for forest products and fuelwood increase Growing stocks of commercial-size timber are projected to decline 50 per cent per capita. The world's forests are now disappearing at the rate of 18-20 million hectare a year (an area half the size of California), with most of the loss occurring in the humid tropical forests of Africa, Asia, and South America The projections indicate that by 2000 some 40 per cent of the remaining forest cover in LDCs will be gone.

Serious deterioration of agricultural soils will occur worldwide, due to erosion, loss of organic matter, desertification, salinization, alkalinization, and water-logging Already, an area of cropland and grassland approximately the size of Maine is becoming barren wasteland each year, and the spread of desert-like conditions is likely to accelerate

Atmospheric concentrations of carbon dioxide and ozone depleting chemicals are expected to increase at rates that could alter the world's climate and upper atmosphere significantly by 2050 Acid rain from increased combustion of fossil fuels (especially coal) threatens damage to lakes, soils, and crops. Radioactive and other hazardous materials present health and safety problems in increasing numbers of countries.

Extinctions of plant and animal species will increase dramatically. Hundreds of

thousands of species—perhaps as many as 20 per cent of all species—will be irretrievably lost as their habitats vanish, especially in tropical forests

The future depicted by the U S Government projections, briefly outlined above, may actually understate the impending problems. The method available for carrying out the study led to certain gaps and inconsistencies that tend to impart an optimistic bias For example, most of the individual projections for the various sectors studied— food, minerals, energy, and so on—assume that sufficient capital, energy, water, and land will be available in each of these sectors to meet their needs, regardless of the competing needs of other sectors. More consistent, better-integrated projections would produce a still more emphatic picture of intensifying stresses, as the world enters the twenty-first century.

At present and projected growth rates, the world's population would reach 10,000 million by 2030 and would approach 30,000 million by the end of the twenty-first century These levels correspond closely to estimates by the U.S National Academy of Sciences of the maximum carrying capacity of the entire earth. Already the populations in sub-Saharan Africa and in the Himalayan hills of Asia have exceeded the carrying capacity of the immediate area, triggering an erosion of the land and its capacity to support life. The resulting poverty and ill health have further complicated efforts to reduce fertility. Unless this circle of interlinked problems is broken soon, population growth in such areas will unfortunately be slowed for reasons other than declining birth rates Hunger and disease will claim more babies and young children, and more of those surviving will be mentally and physically handicapped by childhood malnutrition.

Indeed, the problems of preserving the carrying capacity of the earth and sustaining the possibility of a decent life for the human beings that inhabit it are enormous and close upon us Yet there is reason for hope It must be emphasized that the Global 2000 study's projections are based on the assumption that national policies regarding population stabilization, resource conservation, and environmental projection remain essentially unchanged through the end of the century. But in fact, policies are beginning to change In some areas, forests are being replanted after cutting. Some nations are taking steps to reduce soil losses and desertification. Interest in energy conservation is growing, and large sums are being invested in exploring alternative to petroleum dependence. The need for family planning is slowly becoming understood. Water supplies are being improved and waste treatment system built High-yield seeds are widely available and seed banks are being expanded Some wildlands with their genetic resources are being protected. Natural predators and selective pesticides are being substituted for persistent and destructive pesticides.

Encouraging as these developments are, they are far from adequate to meet the global challenges projected in this study Vigorous, determined new initiatives are needed if worsening poverty and human suffering, environmental degradation, and international tension and conflicts are to be prevented. There are no quick fixes The only solutions to the problems of population, resources, and environment are complex and longterm These problems are inextricably linked to some of the most perplexing and persistent problems in the world—poverty, injustice, and social conflict New and imaginative ideas—and a willingness to act on them—are essential

The needed changes go far beyond the capability and responsibility of this or any other single nation An era of unprecedented cooperation and commitment is essential

Yet there are opportunities—and a strong rationale—for the United States to provide leadership among nations. A high priority for this nation must be a throrough assessment of its foreign and domestic policies relating to population, resources, and environment. The United States, possessing the world's largest economy, can expect its policies to have a significant influence on global trends An equally important priority for the United States is to cooperate generously and justly with other nations—particularly in the areas of trade, investment, and assistance—in seeking solutions to the many problems that extend beyond our national boundaries There are many unfulfilled opportunities to cooperate

with other nations in efforts to relieve poverty and hunger, stabilize population, and enhance economic and environmental productivity Further cooperation among nations is also needed to strengthen international mechanisms for protecting and utilizing the 'global commons'—the oceans and atmosphere

To meet the challenges described in this study, the United States must improve its ability to identify emerging problems and assess alternative responses In using and evaluating the Government's present capability for long-term global analysis, the study found serious inconsistencies in the methods and assumptions employed by the various agencies in making their projections The study itself made a start toward resolving these inadequacies It represents the Government's first environmental projections, and it has brought forth the most consistent set of global projections yet achieved by U S agencies. Nevertheless, the projections still contain serious gaps and contradictions that must be corrected if the Government's analytic capability is to be improved. It must be acknowledged that at present the Federal agencies are not always capable of providing projections of the quality needed for long-term policy decisions

While limited resources may be a contributing factor in some instances, the primary problem is lack of coordination The U S Government needs a mechanism for continuous review of the assumptions and methods the Federal agencies use in their projection models and for assurance that the agencies' models are sound, consistent, and well documented. The improved analyses that could result would provide not only a clearer sense of emerging problems and opportunities, but also a better means for evaluating alternative responses, and a better basis for decisions of worldwide significance that the President, the Congress, and the Federal Government as a whole must make

With its limitations and rough approximations, the Global 2000 study may be seen as no more than a reconnaissance of the future, nonetheless its conclusions are reinforced by similar findings of other recent global studies that were examined in the course of the Global 2000 study All these studies are in general agreement on the nature of the problems and on the threats they pose to the future welfare of humankind The available evidence leaves no doubt that the world—including this nation—faces enormous, urgent, and complex problems in the decades immediately ahead Prompt and vigorous changes in public policy around the world are needed to avoid or minimize these problems before they become unmanageable. Long lead times are required for effective action If decisions are delayed until the problems become worse, options for effective action will be severely reduced

TABLE 1 POPULATION PROJECTIONS FOR WORLD, MAJOR REGIONS, AND SELECTED COUNTRIES

	1975	*2000*	*Per cent Increase by 2000*	*Average Annual Per cent Increase*	*Per cent of World Population in 2000*
	millions				
World	4,090	6,351	55	1.8	100
More developed regions	1,131	1,323	17	0.6	21
Less developed regions	2,959	5,028	70	2.1	79
Major regions					
Africa	399	814	104	2.9	13
Asia and Oceania	2,274	3,630	60	1.9	57
Latin America	325	637	96	2.7	10
USSR and Eastern Europe	384	460	20	0.7	7
North America, Western Europe, Japan, Australia, and New Zealand	708	809	14	0.5	13
Selected countries and regions					
People's Republic of China	935	1,329	42	1.4	21
India	618	1,021	65	2.0	16
Indonesia	135	226	68	2.1	4
Bangladesh	79	159	100	2.8	2
Pakistan	71	149	111	3.0	2
Philippines	43	73	71	2.1	1
Thailand	42	75	77	2.3	1
South Korea	37	57	55	1.7	1
Egypt	37	65	77	2.3	1
Nigeria	63	135	114	3.0	2
Brazil	109	226	108	2.9	4
Mexico	60	131	119	3.1	2
United States	214	248	16	0.6	4
USSR	254	309	21	0.8	5
Japan	112	133	19	0.7	2
Eastern Europe	130	152	17	0.6	2
Western Europe	344	378	10	0.4	6

SOURCE Global 2000 Technical Report, Table 2-10

TABLE 2 GNP ESTIMATES (1975) AND PROJECTIONS AND GROWTH RATES (1985, 2000) BY MAJOR REGIONS AND SELECTED COUNTRIES AND REGIONS

(*Billions of constant 1975 dollars*)

	1975 GNP	*1975–85 Growth Rate*	*1985 Projections*[a]	*1985-2000 Growth Rate*	*2000 Projections*[a]
		percent		*Percent*	
WORLD	6,025	4.1	8,991	3.3	14,677
More developed regions	4,892	3.9	7,150	3.1	11,224
Less developed regions	1,133	5.0	1,841	4.3	3,452
MAJOR REGIONS					
Africa	162	5.2	268	4.3	505
Asia and Oceania	697	4.6	1,097	4.2	2,023
Latin America[b]	326	5.6	564	4.5	1,092
USSR and Eastern Europe	996	3.3	1,371	2.8	2,060
North America, Western Europe, Japan, Australia, and New Zealand	3,844	4.0	5,691	3.1	8,996
SELECTED COUNTRIES AND REGIONS[c]					
People's Republic of China	286	3.8	413	3.8	718
India	92	3.6	131	2.8	198
Indonesia	24	6.4	45	5.4	99
Bangladesh	9	3.6	13	2.8	19
Pakistan	10	3.6	14	2.8	21
Philippines	16	5.6	27	4.4	52
Thailand	15	5.6	25	4.4	48
South Korea	19	5.6	32	4.4	61
Egypt	12	5.6	20	4.4	38
Nigeria	23	6.4	43	5.4	94
Brazil	108	5.6	185	4.4	353
Mexico	71	5.6	122	4.4	233
United States[d]	1,509	4.0	2,233	3.1	3,530
USSR	666	3.3	917	2.8	1,377
Japan	495	4.0	733	3.1	1,158
Eastern Europe (excluding U.S.S.R.)	330	3.3	454	2.8	682
Western Europe	1,598	4.0	2,366	3.1	3,740

[a]Projected growth rates of gross national product were developed using complex computer simulation techniques described in Chapter 16 of the Global 2000 Technical Report These projections represent the result of applying those projected growth rates to the 1975 GNP data presented in the 1976 World Bank Atlas Projections shown here are for medium-growth rates

[b]Includes Puerto Rico

[c]In most cases, gross national income growth rates were projected for groups of countries rather than for individual countries Thus the rates attributed to individual LDCs in this table are the growth rates applicable to the group with which that country was aggregated for making projections and do not take into account country specific characteristics

[d]Does not include Puerto Rico

SOURCE Global 2000 Technical Report, Table 3-3

TABLE 3 PER CAPITA GNP ESTIMATES (1975) AND PROJECTIONS AND GROWTH RATES (1985, 2000) BY MAJOR REGIONS AND SELECTED COUNTRIES AND REGIONS

(Constant 1975 U S. dollars)

	1975	*Average Annual Growth Rate, 1975–85*	*1985 Projections*[a]	*Average Annual Growth Rate, 1985–2000*	*2000 Projections*[a]
		per cent		*per cent*	
WORLD	1,473	2.3	1,841	1.5	2,311
More developed countries	4,325	3.2	5,901	2.5	8,485
Less developed countries	382	2.8	501	2.1	587
MAJOR REGIONS					
Africa	405	2.2	505	1.4	620
Asia and Oceania	306	2.7	398	2.3	557
Latin America[b]	1,005	2.6	1,304	1.8	1,715
USSR and Eastern Europe	2,591	2.4	3,279	2.1	4,472
North America, Western Europe, Japan, Australia, and New Zealand	5,431	3.4	7,597	2.6	11,117
SELECTED COUNTRIES AND REGIONS[c]					
People's Republic of China	306	2.3	384	2.3	540
India	148	1.5	171	0.8	194
Indonesia	179	4.1	268	3.1	422
Bangladesh	111	0.6	118	0.1	120
Pakistan	138	0.4	144	–0.1	142
Philippines	368	3.2	503	2.3	704
Thailand	343	3.0	460	2.2	633
South Korea	507	3.5	718	2.7	1,071
Egypt	313	2.9	416	2.2	578
Nigeria	367	3.3	507	2.2	698
Brazil	991	2.2	1,236	1.6	1,563
Mexico	1,188	2.0	1,454	1.3	1,775
United States[d]	7,066	3.3	9,756	2.5	14,212
USSR	2,618	2.3	3,286	2.1	4,459
Japan	4,437	3.1	6,023	2.5	8,712
Eastern Europe	2,539	2.6	3,265	2.2	4,500
Western Europe	4,653	3.7	6,666	2.7	9,889

[a] The medium-series projections of gross national product and population presented in Tables 3-3 and 3-4 of the Global 2000 Technical Report were used to calculate the 1975, 1985, and 2000 per capita gross national product figures presented in this Table

[b] Includes Puerto Rico.

[c] In most cases, gross national product growth rates were projected for groups of countries rather than for individual countries Thus, the rates attributed to individual LDCs in this Table are the growth rates applicable to the group with which that country was aggregated for making projections and do not take into account country-specific characteristics

[d] Does not include Puerto Rico.

SOURCE Global 2000 Technical Report, Table 3-5.

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